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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Decision delivered on: 23.08.2023*

+ **W.P.(C) 11141/2023 & CM Nos..43330-31/2023**

QUICKROUTES INTERNATIOANL
PRIVATE LIMITED

..... Petitioner

Through: Mr Kumar Visalaksh, Mr Udit Jain,
Mr Arihant Tater and Mr Ajitesh
Dayal Singh, Advs.

versus

DEPUTY COMMISSIONER OF INCOME TAX
CIRLE INT 3 1 1 DELHI & ANR.

..... Respondents

Through: Mr Puneet Rai, Sr Standing Counsel
with Mr Ashvini Kumar and Ms
Madhavi Shukla, Standing Counsels.

CORAM:

HON'BLE MR. JUSTICE RAJIV SHAKDHER

HON'BLE MR. JUSTICE GIRISH KATHPALIA

[Physical Hearing/Hybrid Hearing (as per request)]

RAJIV SHAKDHER, J. (ORAL):

CM No.43331/2023

1. Allowed, subject to the petitioner filing legible copies of the annexures, at least three days before the next date of hearing.

W.P.(C) 11141/2023 & CM No.43330/2023 [Application filed on behalf of the petitioner seeking interim relief]

2. Issue notice.

2.1 Mr Puneet Rai, learned senior standing counsel, accepts notice on



behalf of the respondents/revenue.

3. Given the direction(s) that we propose to issue, Mr Rai says that he does not wish to file a counter-affidavit, and he will argue the matter based on the record presently available with the court.

3.1 Therefore, with the consent of learned counsel for the parties, the matter is taken up for hearing and final disposal, at this stage itself.

4. This writ petition concerns Assessment Year (AY) 2019-20.

5. *Via* this writ petition, the petitioner has assailed the following notices and orders:

(i) Notice dated 27.03.2023 issued under Section 148A(b) of the Income Tax Act, 1961 [in short, “Act”].

(ii) Order dated 01.05.2023 passed under Section 148A(d) of the Act.

(iii) Consequential notice dated 01.05.2023 issued under Section 148 of the Act.

6. The principal allegation leveled against the petitioner was that it had purchased foreign currency and made outward foreign remittance. The source of this information, according to the respondents/revenue, was the IDFC First Bank Ltd. [in short, “IDFC”]. The amount which was called into question by the respondents/revenue was pegged at Rs.9,10,36,693/-.

6.1 Since, according to the respondents/revenue, this was a huge financial transaction and the petitioner had not filed a Return of Income (ROI), the issue got flagged with the Assessing officer (AO).

7. Concededly, the petitioner filed two responses to the aforementioned notice issued under Section 148A(b) of the Act. These responses are dated 17.04.2023 and 24.04.2023.



7.1 In brief, the response of the petitioner was that it had chosen to purchase shares in an Indian entity going by the name F1 Info Solutions and Services Pvt. Ltd. [in short, “F1 Info”] in the Financial Year (FY) 2017-18.

8. In this regard, reference was made to a share purchase agreement [in short, “SPA”] dated 02.09.2017 entered between the petitioner and F1 Info.

9. The petitioner’s stand was that a certain amount, i.e., Rs.4,51,06,614/- , which was initially retained, as the said amount was to be remitted to F1 Info only upon fulfillment of a certain contingency connected with targeted net working capital and cash position.

10. According to the petitioner, since the conditions stipulated in the SPA were not fulfilled, this amount was remitted from the petitioner’s own account maintained with IDFC to its account maintained with Citi Bank, Singapore.

10.1 In other words, the stand taken was, the petitioner was, both, the remitter and the beneficiary of Rs.4,51,06,614/-.

11. The AO, however, was not persuaded by the explanation given by the petitioner. The AO proceeded to pass the impugned order dated 01.05.2023. The rationale provided by the AO in holding that income amounting to Rs.9,10,36,673/-, which was otherwise chargeable to tax, had escaped assessment was that the petitioner had failed to provide the SPA executed between itself and F1 Info.

11.1 Furthermore, the AO held that, although, the petitioner had given some explanation with regard to the repatriation of Rs.4,51,06,614/-, independent verification had not been carried out by reaching out to IDFC Ltd. In this context, the AO also noted that the petitioner had not submitted



any undertaking from IDFC to this effect.

12. In our view, before passing the impugned order dated 01.05.2023, the AO could have called upon the petitioner to submit not only the SPA, but also perhaps a letter of confirmation from IDFC.

13. These were the simple steps that could have been taken before passing an order under Section 148A(d) of the Act.

14. We have put this aspect to Mr Rai. Mr Rai says that an inquiry can be made with regard to the issues which have been highlighted by the AO in the impugned order.

15. Therefore, in our opinion, the best way forward would be to set aside the impugned order, with liberty to the AO to pass a fresh order after he has called upon the petitioner to submit the requisite documents in support of its defence with regard to commencement of reassessment proceedings.

15.1 It is ordered accordingly. The impugned order dated 01.05.2023 passed under Section 148A(d) of the Act is set aside.

16. Resultantly, the notice of even date, i.e., 01.05.2023 issued under Section 148 of the Act will also collapse.

17. The AO will issue notice to the petitioner which would indicate the documents that he wishes the petitioner, as noted hereinabove, to place before him. The AO will also furnish to the petitioner any material/information which is in his possession and may not have been furnished to the petitioner up until now, in support of his conclusion arrived at in the impugned order that income amounting to Rs.9,10,36,693/- had escaped assessment.

18. Needless to add, the AO will also accord personal hearing to the



authorized representative of the petitioner. For this purpose, the AO will issue a notice which would indicate the date and time of hearing.

19. Since we have not examined the merits of the matter, nothing stated hereinabove will impact the order of the AO that he may proceed to pass while carrying out a fresh exercise in the matter.

20. The writ petition is disposed of, in the aforesaid terms.

21. Parties will act based on the digitally signed copy of the order.

RAJIV SHAKDHER, J

GIRISH KATHPALIA, J

AUGUST 23, 2023

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