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

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*Date of Decision : 08.10.2025*

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W.P.(C) 15078/2025 CM APPL. 62033/2025

FERRA ENGINEERING PTY LIMITED

.....Petitioner

Through: Mr. Kamal Sawhney, Mr. Nikhil  
Agarwal, Mr. and Mr. Nishank  
Vahistha, Advs.

versus

ASSISTANT COMMISSIONER OF INCOME TAX, CIRCLE

INTERNATIONAL TAXATION-1-3-1, DELHI .....Respondent

Through: Mr. Vipul Agrawal (Sr. SC) with Ms.  
Sakshi Shairwal, Mr. Akshat Singh  
(Jr. SCs), Mr. Gaoraang Ranajn and  
Ms. Harshita Kotru (Advs.).

**CORAM:****HON'BLE MR. JUSTICE V. KAMESWAR RAO****HON'BLE MR. JUSTICE VINOD KUMAR****V. KAMESWAR RAO , J. (ORAL)**

1. This petition has been filed with the following prayers:

*“(a) Issue a writ of certiorari, or any other appropriate writ or order quashing the Impugned Section 148A(1) Notice dated 29.03.2025 as well as Impugned Order issued under Section 148A(3) and the Impugned Notice issued under Section 148, both dated 30.06.2025, and all the consequential proceedings.*

*(b) For such further and other reliefs, including costs of this Petition, as this Hon’ble Court may deem fit and proper in the nature and circumstances of the case.*

*(c) Award the costs of this Writ Petition in favour of*



*the Petitioner and against Respondents.*

2. The challenge in this petition is primarily to a notice dated 29.03.2025 issued under Section 148A (1) of the Income Tax Act, 1961 (the Act) and order under Section 148A (3) of the Act and notice under Section 148 dated 30.06.2025.

3. The submission of Mr. Kamal Sawhney, learned counsel appearing for the petitioner is that the petitioner is a non resident company incorporated under the laws of Australia. During the Assessment Year (AY) 2020-21, the petitioner transferred its equity shares in **Ferra Aero Space Pvt. Ltd. to Ferra U.K.** for a consideration of ₹ 7,43,27,348/-. According to him, apart from the said share transfer, the petitioner did not undertake any activity in India during the concerned financial year.

4. He states that respondent issued the impugned notice under Section 148A (1) of the Act stating that the information from risk management strategy shows that the petitioner was involved in a financial transaction of ₹ 7, 43, 27,348/- and in the absence of return filed by the petitioner for the AY 2020-21, the taxability of the said transaction remains unexplained and accordingly the same suggests that income chargeable to tax has escaped assessment. According to him, the petitioner filed comprehensive replies dated 06.06.2025 and 28.06.2025, wherein it was stated that the financial transaction stated in the impugned notice pertains to transfer of petitioner's share in **Ferra India to Ferra UK** for the aforesaid consideration. He also states that a detailed computation of capital loss/gains arising from the said share transfer of ₹ 7,43,27,348/- was also submitted showing that the petitioner has incurred a long-term capital loss of ₹ 1,03,33,852/- and made a short-term capital gain of ₹ 39,49,342/- from the said share transfer. The



said computation was prepared as per the provisions of the Act and the documents were submitted in compliance with the impugned notice as well as to show that the income arising in the form of capital gains from the said share transfer of ₹ 7, 43, 27,348/- does not exceed the amount of ₹ 50 lakhs and as such the invocation of provisions of Section 149(1) (b) shall not arise.

5. He also states that the order which has been passed by the Assessing Officer under Section 148A (3) of the Act is without referring to the documents filed by the petitioner along with the reply. He also states that Assessing Officer while rejecting the computation made by the petitioner in its reply to notice under Section 148A (1) of the Act, had reiterated the fact that the transaction of ₹ 7, 43, 27,348/- has to be examined, which according to him, is perpetuating the same illegality, which has crept in the notice under Section 148A (1) of the Act.

6. According to him, the Assessing Officer before issuing a notice under Section 148A (1) of the Act should have expressed himself that the exact amount that has escaped tax is more than ₹ 50 lakhs. He also states that the impugned order which reads that the petitioner/assessee had not submitted the share purchase agreement and TRC and also the bank statements, for the consideration of the Assessing Officer, is erroneous as, no such material was asked for by the Assessing Officer to enable the petitioner to submit the same for his consideration.

7. Mr. Sawhney relies on the first plea that, in impugned notice, the Assessing Officer should have expressed himself that the amount of more than ₹ 50 lakh is likely to have been escaped assessment. In support of his contention, he relies upon the judgment **BBC World News v. Assistant Director of Income Tax 2014 42 Taxman.com 456** and also **Nitin Nema**



***Vs. Principle Chief Commissioner of Income Tax 2023 155 Taxman.com 276*** and also the judgment of Karnataka High Court in the case of ***Sanat Kumar Murli Vs. ITO 2023 4455 ITR 370 Taxman*** and also ***Sanat Kumar Murli Vs. Income Tax Officer 2025 172 Taxman.com 290***.

8. On the other hand, Mr. Vipul Agrawal, Sr. Standing Counsel appearing for the Revenue/respondent, justified the issuance of the impugned notice and the impugned order and states that the petitioner being non filer, the only information the Assessing Officer had was the transaction of sale of shares of ₹ 7, 43, 27,348/- and it was on that basis, the Assessing Officer had issued the notice. That apart, he submits that the order which has been passed under Section 148A (3) of the Act by the Assessing Officer in the absence of the relevant documents submitted by petitioner/assessee, is justified.

9. He states that, as per his instructions from the Assessing Officer, the petitioner was required to produce proof; like share purchase agreement; original bank statements; full reconciliation of foreign exchange and costs. In other words, it is his submission that, in the absence of those documents, the only way forward for the Assessing Officer was to say that the taxability of the transaction amounting to ₹ 7,43,27,348/- need to be examined in detail, i.e. reassessment.

10. At this stage Mr. Sawhney states that this court without examining the issue raised by him on the legality of the notice issued under Section 148A (1) of the Act, may remand the matter back to the Assessing Officer for fresh consideration of the reply filed by the petitioner/assessee for which the petitioner is ready and willing to submit the TRC, full bank statements and full reconciliation of foreign exchange and cost, as according to Mr.



Sawhney, the share purchase agreement was not executed between the parties. Suffice to state this aspect shall be satisfied by the petitioner to the Assessing Officer.

11. We by taking on record the submission made by Mr. Sawhney that the petitioner shall not plead that the passing of the order under Section 148A (3) of the Act is beyond the period of limitation, and also his plea that he is not pressing the plea of legality of the notice under Section 148A (1) of the Act, set aside the order and notice dated 30.06.2025 and remand the matter back to the Assessing Officer for a fresh consideration. The Assessing Officer shall consider the documents as stated above and also considering any other document and reply (if any) which he deem it appropriate to call from the petitioner after giving a prior notice to the petitioner with sufficient time, pass a reasoned and speaking order. It goes without saying that the order shall be passed within a period of 12 weeks from today as an outer limit. With the above directions, the petition is disposed of.

12. Pending application is dismissed as infructuous.

**V. KAMESWAR RAO, J**

**VINOD KUMAR, J**

**OCTOBER 08, 2025**

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