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

Date of decision: 19th November, 2026

\# **CNR No. DLHC010479752026**

\+ W.P.(C) 14740/2026 & CM APPL. 69045/2026, CM APPL. 69046/2026

BUSY INFOTECH PVT LTD .....Petitioner

Through: Mr. Ajay Vohra Sr. Adv. with Mr. Satyen Sethi, Mr. Arta Trana Panda, Ms. Gargi Sethee, Mr. Samarth Chaudhary, Advs.

versus

PR COMMISSIONER OF INCOME TAX DELHI 1 & ORS. .....Respondent

Through: Ms. Monica Benjamin, SSC, with Ms. Prakriti Singh and Mr. Vinayak Mehrotra, JSCs, along with Ms. Laiba Arif and Ms. Prerika Narang, Advs.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE DR. JUSTICE ADITI CHOUDHARY

J U D G M E N T

DINESH MEHTA, J.*(ORAL)*

1. By way of present writ petition, the petitioner has challenged the order dated 24.09.2026 so also the order dated 03.03.2020, whereby the stay applications filed by the petitioner were rejected by the Principal Commissioner of Income Tax (hereinafter referred to as 'PCIT') and the Assessing Officer (AO), respectively.

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2. The facts relevant for the disposal of the writ petition, as pleaded in the petition are that the petitioner which was earlier known as 'Tolexo Online Pvt. Ltd.' is engaged in providing an e-marketplace – an interactive hub for domestic buyers and suppliers, catering to the business needs of customers. It is also engaged in selling accounting software and other related products.

3. During the Assessment Year in question (2017-18), the petitioner issued 0.01% Optionally Convertible Redeemable Preference Shares (hereinafter referred to as 'OCRPS') of face value of Rs. 10/- at a premium of Rs. 90/- to its holding company, known as IndiaMart.

4. Note No.3 appended with the Audited balance sheet contained a stipulation that OCRPS will be optionally convertible into equity share at issued price including premium or at fair market value on the date of conversion, at the option of the holder. OCRPS will be redeemable (wholly or partly) either at the option of the company or the holder after the expiry of 5 years but before 20 years from the date of allotment of OCPRS at premium or at fair market value at the time of redemption.

5. While framing an assessment order under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act of 1961'), the AO vide order dated 30.12.2019, made an addition of Rs. 63,90,00,000/- to the total income of the assessee under Section 56(2)(viib) of the Act of 1961 and raised a demand of tax and interest accordingly.

6. The petitioner preferred an appeal against the above referred Assessment Order and also preferred a stay application before the AO which was rejected vide order dated 03.03.2020.

7. After rejection of the said stay application, the petitioner moved a stay

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application before the PCIT, which remained pending and came to be rejected by the PCIT vide its order dated 24.09.2026.

8. Mr. Ajay Vohra, learned senior counsel for the petitioner argued that the AO has ignored the relevant facts and law while framing the assessment order and made huge addition without any legal basis.

9. He further submitted that the judgment of this Court in the case of ***FIS Payment Solutions and Services India (P) Ltd v. UOI*** reported in (2024) 166 taxmann.com 354, though delivered subsequent to the passing of the Assessment Order nevertheless clinches the issue in petitioner's favour.

10. He further submitted that when the PCIT rejected the petitioner's stay application, neither the petitioner nor its representative could appear and consequently, the aforesaid judgment could not be brought to the notice of the PCIT.

11. He submitted that in any event, since the issue stands covered by the judgment of this Court in the case of ***FIS Payment Solutions*** (supra), the petitioner is entitled for stay of the entire outstanding demand.

12. Ms. Monica Benjamin, learned Senior Standing Counsel for the respondents on the basis of written instructions, submitted that the Assessment Order be set aside and the matter be remanded to the AO for fresh consideration, including consideration of the judgment of this Court in the case of ***FIS Payment Solutions*** (supra).

13. In view of the fair stand taken by the respondents, the impugned Assessment Order dated 30.12.2019 (Annexure P-5) so also the order dated 03.03.2020 (Annexure P-10) passed under Section 154 of the Act of 1961 and the order dated 24.09.2026 (Annexure P-1) are hereby set aside. The

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matter is restored back to the dockets of the AO, who shall pass a fresh Assessment Order in accordance with law.

14. The petitioner shall be free to file a representation/written submissions before the AO, along with copies of the judgments on which it proposes to rely, within a period of 3 weeks from today.

15. The AO shall provide a personal hearing to the petitioner by giving at least 7 days prior intimation to the petitioner/assessee and thereafter pass a speaking order in accordance with law.

16. The petitioner's right to take legal recourse in case order so passed is in any manner prejudicial to it, is reserved.

17. The writ petition is accordingly disposed of.

18. Pending application(s), if any, stand disposed of.

DINESH MEHTA, J

ADITI CHOUDHARY, J

NOVEMBER 19, 2026
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