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

\+ W.P.(C) 4402/2026 & CM APPL. 21460/2026

FIELDCORE SERVICE SOLUTIONS INTERNATIONAL INDIA P. LTD. .....Petitioner

Through: Mr. Anubhav Rastogi and Mr. Kanishk Pandey, Advs.

versus

ASSESSMENT UNIT, INCOME TAX DEPARTMENT & ORS. .....Respondent

Through: Mr. V.K. Saksena, JSC.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MS. JUSTICE MADHU JAIN

ORDER

% **20.04.2026**

CM APPL. 21461/2026 (Exemption)

1. Exemption allowed, subject to all just exceptions.

2. The application stands disposed of.

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3. By way of the present writ petition, the petitioner has assailed the assessment order dated 11.03.2026 passed by respondent no.1 under Section 143(3) read with Section 144C(3) and Section 144B of the Income Tax Act, 1961 (*hereinafter referred to as "the Act of 1961"*) and the consequential demand notice of even date issued under Section 156 of the Act of 1961.

4. Learned counsel for the petitioner argued that during the course of the assessment proceedings, the Assessing Officer passed the Draft Assessment Order under Section 144C(1) of the Act of 1961 on 03.02.2026, in

furtherance whereof, the petitioner had filed its objections before the Dispute Resolution Panel *(hereinafter referred to as 'DRP')* on 26.02.2026. He submitted that though an intimation to this effect was given to Transfer Pricing Officer, the Faceless Assessing Officer proceeded to pass final Assessment Order without waiting for the decision on petitioner's objections by the DRP.

5. Learned counsel for the petitioner argued that the impugned order passed by the respondent no.1 is illegal being against the principles of natural justice and statutory provisions. He argued that since the petitioner had filed its objections before the DRP as per Section 144C(1) of the Act of 1961, the Assessing Officer ought not to have finalised the Assessment.

6. Learned counsel submitted that petitioner's case is squarely covered by judgment of this court in ***Express Freight Consortium v. Assessment Unit, Income Tax Department,*** reported in **[2026] 183 taxmann.com 91 (Delhi)**.

7. Mr. V.K. Saxena, learned Junior Standing Counsel for the respondent attempted to distinguish the case, however, was unable to do the same.

8. Heard learned counsel for the parties.

9. On perusing the facts and considering that there is no dispute in relation to the fact that the petitioner had filed its objections before the DRP on 26.02.2026 and an intimation in this regard was given to the Transfer Pricing Officer-respondent no.1 ought not to have passed the final assessment order, as has been held by this Court in the case of ***Express Freight Consortium (supra).*** The relevant portion of the judgment has been reproduced below: -

> *"8. As a matter of fact, Section 144C(2)(b) of the Act,*

1961 enjoins upon the petitioner to forward a copy of the objections qua the draft assessment order to the AO also, which the petitioner admittedly failed to do. According to us, it was a small breach or lapse on the part of the petitioner which has led the AO to draw a presumption that the petitioner has not filed any objection qua the proposed/draft assessment order.

9. We feel that the consequence of such breach on the part of the petitioner to comply with Section 144C(2)(b) has resulted in adverse consequence to it inasmuch as a demand has been raised without the objection filed by the petitioner before the DRP being considered.

10. The scheme of Section 144C of the Act of 1961 provides that once the draft order is prepared by the Faceless Assessment Officer (FAO), the petitioner has a right to file objection, which shall be considered by the DRP. The objection filed by the assessee are supposed to be considered by the DRP on the one hand and requires the FAO to keep the proceedings in abeyance and await the order of DRP.

11. The provision takes care of the natural justice aspect and provides automatic deferral of the assessment proceedings. But the manner in which the provision has been enacted, may give rise to a confusion in the mind of an assessee, more particularly in the era of e-filing, when the assessments are faceless assessments and in case of failure of the assessee to send copy of the objections, drawing of an inference by the FAO that the objections have not been filed. The consequence of not sending a copy to the Assessing Officer, who too is unknown (faceless) cannot and should not be so drastic.

12. No statute can be expected to leave too many loose *ends. Too many presumptions lead to speculations and such interpretation is antithesis to the rule of law.*

13. We wonder what will happen to the proceedings before the DRP in the instant case! Will they be rendered infructuous or if not, then what will happen to the assessment order, in case the DRP accepts the objection filed by the petitioner - how will that order of the DRP be given effect to?

14. We, are therefore, of the view that the AO may be legally correct in drawing an inference (that no objection has been filed by the petitioner) because copy of the objection has not been sent to him, but factually the objections had been filed. The impugned order so also the demand notice of even date (18.12.2025) are hereby quashed and set aside.

15. Having done so, we direct the CBDT or the concerned authorities of the Income Tax Department to ensure (by way of issuing circular or office order, etc.) that as and when an assessee files his objections before DRP either physically or electronically (which we are informed is presently in physical mode), the Registry/Secretary of DRP shall not accept the same, unless a proof to the effect that the same has also been sent/served to the AO is enclosed. That would ward off any such problem which the other assessees may face in future. This action shall also avert intentional attempts on the part of the assessees to use it as a strategy to buy time or to file the same before the AO on different date or not to file the objection before the DRP at all and take a plea that the assessment not become time barred.

16. Needless to observe that the setting aside of the assessment order will not have any bearing over the proceedings before the DRP, which shall take its independent view, in accordance with law.

> *17. Instant petition along with interlocutory applications is disposed of."*

10. Following the decision in ***Express Freight Consortium (supra)***, the present writ petition is allowed. The impugned final assessment order dated 11.03.2026 and consequential demand notice of even date issued under Section 156 of the Act of 1961 are hereby quashed and set aside.

11. The respondents shall be free to proceed in accordance with law, once the DRP decides petitioner's objections.

12. The writ petition along with pending application is disposed of.

DINESH MEHTA, J

MADHU JAIN, J

APRIL 20, 2026/*prg*