

e-paper

Get APP

Home > Companies > News > ITAT dismisses ₹152 crore undisclosed income addition on Flipkart founders

ITAT dismisses ₹152 crore undisclosed income addition on Flipkart founders



The logo of India's e-commerce firm Flipkart is seen in this illustration (REUTERS)

2 min read . Updated: 10 Sep 2020, 09:56 PM IST

Jayshree P Upadhyay

The Bangalore Income Tax Appellate Tribunal dismissed an income tax appeal of adding ₹152 crore of undisclosed on Flipkart founders' when they exited 'UrbanTouch.com' in 2012

OPEN APP

The Bangalore Income Tax Appellate Tribunal (ITAT) on Thursday dismissed an income tax appeal of adding ₹152 crore of undisclosed on Flipkart founders' when they exited 'UrbanTouch.com' in 2012.

Close

The income tax department in the assessment year 2013-14 had alleged that the founders of Flipkart had received an amount of USD 30 million as proceeds for sale of urbantouch.com and

[HOME](#)[LATEST](#)[TRENDING](#)[PREMIUM](#)[e-paper](#)[Get APP](#)

In August 2012, the shares of UrbanTouch were transferred by its shareholders to Goldsquare for ₹12.33 crore. These shares were transferred by Tiger Global, Accel India, Sachin & Binny Bansal and Mukesh Bansal - collectively known as 'angel investors'.

The business of UrbanTouch was later consolidated under Goldsquare and owing to huge losses, assessee sold off all its assets, domain name of www.urbantouch.com operated by along with all other intellectual IP/brand assets to Goldsquare vide Brand Assets Assignment Agreement dated March, 2013 for ₹3 lakh. OPEN APP

However, the income tax department in its income addition order cited an 'Economic Times' report that the consideration has been received in both cash as well as in stock.

"The assessment is considered based on the material available on records by bringing to tax of Rs.152,31,66,000 as undisclosed income of the assessee under capital gains," the ITAT said quoting the AO order.

UrbanTouch argued that the investors had invested an amount close to ₹20 crores.

HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP



PREMIUM

The uneven odds for promotions with hybrid work



PREMIUM

Cuban protests demand freedom, food, covid-19 vaccines



PREMIUM

New coronavirus variants seen as too contagious for hotel quarantines



PREMIUM

Elon Musk defends purchase of SolarCity in court

Therefore, it is impractical for the assessing officer to presume that the investors would receive an amount of ₹167 crores.

However, ITAT ruled that “the assessment in the instant case has been concluded based on a news article which does not in any case constitute adequate material on record”.

Startup exits have more often than not attracted the scrutiny of tax officials that there is some undisclosed income or untaxed capital gains.

OPEN APP

For instance, the Authority for Advance Rulings (AAR) in June this year had rejected a petition by US private equity firm Tiger Global claiming an exemption from tax on capital gains resulting from the 2018 sale of its Flipkart stake to Walmart.

Tiger Global had claimed nil withholding tax on the capital gains, since its investment firms that made the Flipkart investment were based in Mauritius. At least four rulings by AAR, have labelled investments through Mauritius as a tax avoidance route and thus not eligible for treaty benefits.

HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

Subscribe to Mint Newsletters

Enter email address

Subscribe

Never miss a story! Stay connected and informed with Mint. Download our App Now!!

Topics

OPEN APP

Recommended

Recommended by |

e-paper

Get APP

BSE SENSEX ▼
52,372.69 -13.50 (-0.03%)

NIFTY 50 ▲
15,692.6

This dream rally in mid-caps and small-caps is now turning frothy

OPEN APP

3 min read 10:38 PM IST

CCEA clears LIC disinvestment; FM-led panel to decide quantum of stake sale



2 min read 09:38 PM IST

MINT PREMIUM

View All

PREMIUM

Will slowing consumption lead to a fall in stock prices?

5 min read 08:03 PM IST

PREMIUM

SFBs reverse-merger plans at odds with RBI's push for H

3 min read 08:34 PM IST

PREMIUM

Bangladesh boom fuels Indian exports

3 min read 01:36 AM IST

PREMIUM

India's largest firms are hoarding cash, shying away fr

4 min read 01:54 PM IST

PREMIUM

The un job se

10 min r

HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

TRENDING TOPICS

Coronavirus Vaccine Tracker

Coronavirus

Mint India Investment Summit 2021

Market Dashboard

Long Story

Plain Facts

RBI issues scheme to market govt securities to retail investors

1 min read 10:04 PM IST



MINT CURATOR

It may be safer for school kids to stay maskless in classrooms

4 min read 10:08 PM IST



OPEN APP

Recast loans at NBFCs may double by this fiscal-end, says ICRA report

2 min read 08:23 PM IST



Your favourite newspaper at your fingertips.

Try Mint E-paper

e-paper

Get APP

FROM THE WALL STREET JOURNAL

View All

PREMIUM

THE WALL STREET JOURNAL.

Richard Branson completes successful Virgin Galactic sp

5 min read 11 Jul 2021

PREMIUM

THE WALL STREET JOURNAL.

Elon Musk has a ticket to space, too...with Richard Bra

1 min read 11 Jul 2021

PREMIUM

THE WALL STREET JOURNAL.

President Biden's executive order opens new front in ba

4 min read 11 Jul 2021

PREMIUM

THE WALL STREET JOURNAL.

Global tax deal heads down perilous path in Congress

6 min read 11 Jul 2021

PREMIUM

THE WALL STREET JOURNAL.

Elon Musk defends SolarCity

4 min read

What is holding up full rollout of Sputnik V covid vaccine in India?

2 min read 05:08 PM IST



Dominica Court grants bail to Mehul Choksi on medical grounds

2 min read 09:32 PM IST



OPEN APP

Paytm gets shareholders' nod for ₹16,600 cr IPO; to release DRHP this week

2 min read 02:51 PM IST



HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

Battlegrounds Mobile India registers over 34 mn players

7:01 PM IST

TechThisWeek: DealShare co-founder on latest fundraising, growth plans

9 Jul, 2021

Deal Roundup: PharmEasy, Ola, Pine Labs lead \$1.9 bn technology startup funding rally

9 Jul, 2021

91springboard founders Pranay Gupta, Varun Chawla move on from coworking startup

9 Jul, 2021

In a first, state-owned LIC may invest in Zomato's public offer

2 min read 05:43 AM IST



CCI approves SoftBank Group investment in Swiggy

1 min read 08:25 PM IST



Flipkart to buyback employee stock options worth ₹600 cr: Report

3 min read 07:14 PM IST



OPEN APP

DMart's gross margin at a record low even as JioMart ups the ante

2 min read 10:52 PM IST



HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

June retail inflation eases to 6.26%

2 min read 05:40 PM IST



Coal India's sustained volume performance trigger hopes of better prospects

2 min read 12:13 PM IST



OPEN APP

Adar Poonawalla to collab with trans activist Laxmi Narayan Tripathi

1 min read 04:56 PM IST



3rd wave imminent: IMA says travel can wait, asks govt to control mass gathering

2 min read 05:35 PM IST



Zydus Cadila's Covid-19 vaccine approval likely in next few days: Report

1 min read 11:06 AM IST



e-paper

Get APP

Mahindra XUV700 SUV to come with a feature found in Tesla cars. Details here

2 min read 05:12 PM IST



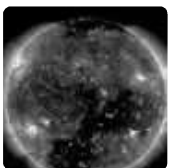
Covid-19: Night curfew to continue in Andhra Pradesh; shops to run till 9 PM

1 min read 04:17 PM IST



Massive solar storm may hit Earth today: Everything you need to know

1 min read 04:01 PM IST



This rail stock is Axis Securities top pick for this week

1 min read 04:14 PM IST



HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

Flipkart to raise funding at \$40 billion valuation

1 min read 11:35 AM IST



GAIL Recruitment 2021: New jobs announced for graduates. Know all the details

2 min read 04:33 PM IST



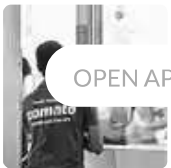
Ola Electric scooter launch: From driving range to new features, what to expect

2 min read 03:37 PM IST



Zomato IPO this week: Should you subscribe?

1 min read 03:48 PM IST



Zerodha shares the 'most-used phrase' on its platform last week

1 min read 03:10 PM IST



HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

2 min read 07:02 PM IST

Equitas, Ujjivan SFBs surge. What merger with holding cos mean for investors

2 min read 10:13 AM IST



'Devastating': WHO on lack of covid awareness at Euro 2020 soccer final match

2 min read 02:38 PM IST



This 25-year-old video game sets record with \$1.5 million auction of sealed copy

1 min read 02:33 PM IST



OPEN APP

Juhi Chawla's plea on 5G rollout deferred by Delhi HC till 29 July

2 min read 01:06 PM IST

