HIGH COURT OF JUDICATURE AT ALLAHABAD LUCKNOW

WRIT TAX No. - 949 of 2026

Siddhant Rastogi

.....Petitioner(s)

Versus

Union Of India Thru. Ministry Of Finance Deptt. Of Revenue And 2 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Vibhanshu Srivastava
Counsel for Respondent(s)	:	A.S.G.I., Amar Mani Tiwari

Court No. - 5

HON'BLE ALOK MATHUR, J.
HON'BLE AMITABH KUMAR RAI, J.

1. Heard Shri Vibhanshu Srivastava, learned counsel appearing on behalf of the petitioner and Shri Neerav Chitravanshi, learned counsel appearing on behalf of the respondents- Income Tax Department.

2. By means of the present writ petition, the petitioner has assailed the assessment order dated 21.05.2026 passed under Section 144C(3) read with Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as the **"Act, 1961"**), as well as the demand notice dated 21.05.2026 issued under Section 156 of the Act, 1961.

3. It has been submitted on behalf of the petitioner that he is a professional seafarer and was employed outside India during the period under assessment. He claims that he qualifies as a non-resident under the provisions of the Act, 1961. The present dispute pertains to the Assessment Year 2024-25, in respect whereof the petitioner filed his return of income declaring his taxable income after claiming exemption in respect of the remuneration received for the services rendered outside India, which, according to him, is exempt under the provisions governing NRE accounts and other statutory exemptions permissible under law. Upon filing of the return for the aforesaid assessment year, a notice under Section 143(2) was issued to the petitioner on 24.06.2025 informing him that his case had been selected for faceless assessment under the provisions of Section 144B of the Act, 1961 and that the assessment proceedings would be conducted through the faceless assessment mechanism. The petitioner submits that he never received the aforesaid notice and, therefore, was unaware of the initiation of the assessment proceedings. Subsequently, a notice under Section 142(1) of the Act, 1961 was issued on 03.10.2025 requiring the petitioner to furnish information and documents by 20.10.2025. This notice also, according to the petitioner, was not received by him on his registered e-mail address. It has been submitted that, due to inadvertence, an incorrect e-mail address had been updated on the Income Tax Department's portal, owing to which the petitioner did not receive the said communication. Thereafter, further notices under Section 142(1) were issued on 02.12.2025 and 09.02.2026. According to the petitioner, he first came to know about the assessment proceedings for the Assessment Year 2024-25 only when the draft assessment order dated 14.03.2026 under Section 144C(1) of the Act, 1961 was issued proposing to assess his total income at Rs.79,63,350/- and calling upon him to file his objections.

4. In response to the said draft assessment order, the petitioner submitted detailed objections on 27.03.2026 through the Income Tax e-filing portal and also received an acknowledgement thereof. It has been submitted that, after filing the said reply addressed to the Assessing Officer, the petitioner received the impugned assessment order dated 21.05.2026, which has been challenged in the present writ petition.

5. The principal contention of the petitioner is that, while passing the impugned assessment order, the Assessing Officer failed to consider any of the grounds raised by him in his reply filed on the Income Tax Department's portal. It has further been contended that the impugned order erroneously records that no reply to the draft assessment order had been filed and, consequently, the draft order stood confirmed. It has also been submitted that no opportunity of hearing was afforded to the petitioner prior to passing of the impugned assessment order.

6. Shri Neerav Chitravanshi, learned counsel appearing on behalf of the Income Tax Department, has vehemently opposed the writ petition. He submits that the assessment in the present case was carried out pursuant to the procedure prescribed under Section 144C of the Act, 1961. According to him, under Section 144C(2)(b), objections to the draft assessment order are required to be filed both before the Dispute Resolution Panel and the Assessing Officer. He submits that, in the present case, the reply was furnished only to the Assessing Officer, as would be evident from the documents annexed to the writ petition. No objections were filed before the Dispute Resolution Panel, which, according to him, constitutes a serious procedural lapse. He submits that where objections are not furnished before the Dispute Resolution Panel, the Assessing Officer is competent to complete the assessment in terms of Section 144C(3) without referring the matter to the Panel. He further submits that once objections are filed before the Dispute Resolution Panel, the Panel is required to consider the objections in the light of the material placed before it, the report of the Assessing Officer and the assessment records, besides exercising its powers under Section 144C(6), including directing further enquiry, if necessary.

7. After consideration of the material placed before it, the Dispute Resolution Panel is empowered to confirm, reduce or enhance the variations proposed in the draft assessment order. The directions issued by the Panel under Section 144C(10) are binding upon the Assessing Officer, who is thereafter required to pass the final assessment order in conformity with such directions. It has, therefore, been submitted that where no objections are filed before the Dispute Resolution Panel, the Assessing Officer has no option but to complete the assessment under Section 144C(3) on the basis of the draft assessment order.

8. This Court has considered the submissions advanced by the learned counsel for the parties. The dispute relates to the Assessment Year 2024-25. The petitioner himself admits that the earlier notices issued under Section 142(1) of the Act, 1961 could not be received by him as an incorrect e-mail address had been furnished by him on the Income Tax portal. He further admits that, although he filed objections before the Assessing Officer, no objections were submitted before the Dispute Resolution Panel.

9. On a perusal of Section 144C of the Act, 1961, it is evident that a complete statutory procedure has been prescribed where a draft assessment order is issued. Section 144C(2)(b) specifically requires that objections against the draft assessment order be filed before both the Dispute Resolution Panel and the Assessing Officer. The use of the word "and" clearly indicates that compliance with both requirements is mandatory. The subsequent provisions of Section 144C further demonstrate that, once objections are filed before the Dispute Resolution Panel, the Panel is under a statutory obligation to examine the objections, call for such reports or further material as may be necessary and thereafter issue appropriate directions to the Assessing Officer. Once such directions are issued, the Assessing Officer is bound to pass the assessment order in conformity therewith. However, where no objections are filed before the Dispute Resolution Panel, Section 144C(3) enables the Assessing Officer to complete the assessment on the basis of the draft assessment order.

10. Apart from the above, it is also noticed that under the Income Tax (Dispute Resolution Panel) Rules, 2009 (hereinafter referred to as **"Rules, 2009"**), a statutory appellate remedy has been provided. Where the assessment order is passed pursuant to the directions of the Dispute Resolution Panel, an appeal lies before the Income Tax Appellate Tribunal. In cases where Section 144C is not attracted or where the statutory conditions thereunder are not fulfilled, the remedy of appeal under Section 246A of the Act, 1961 is available before the Commissioner of Income Tax (Appeals).

11. Accordingly, *prima facie*, no procedural infirmity is made out in the impugned assessment order. Moreover, the petitioner has an efficacious statutory remedy of appeal under Section 246A of the Act, 1961. The Supreme Court, in ***Commissioner of Income Tax and others v. Chhabil Dass Agarwal*** reported in ***(2014) 1 SCC 603***, has held that where a complete statutory mechanism is available under the taxing statute, the assessee should ordinarily be relegated to the statutory remedy instead of invoking the extraordinary jurisdiction under Article 226 of the Constitution of India.

12. Accordingly, this Court is not inclined to entertain the present writ petition on account of the availability of an efficacious alternative remedy. The writ petition is, accordingly, **dismissed**.

13. It is, however, made clear that this Court has not examined the petitioner's case on merits and it shall be open to the petitioner to raise all such grounds as may be available to him before the appellate authority.

(Amitabh Kumar Rai,J.) **(Alok Mathur,J.)**

July 22, 2026
Shubhankar