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HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

Judgment reserved on : 28/10/2026

Judgment delivered on : 18/11/2026

Judgment (full) uploaded on : 18/11/2026

D.B. Civil Writ Petition No. 15442/2025

CNR: RJHC020868932025 | URN: CW / 35045U / 2025

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Geeta Devi Jain (Ay 2014-15) W/o Mahaveer Kumar Jain, Aged About 65 Years, 65 Surya Nagar Gopalpura Bypass Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circel-1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

Connected With

D.B. Civil Writ Petition No. 15428/2025

CNR: RJHC020869162025 | URN: CW / 35025U / 2025

Mahaveer Kumar Jain (Ay 2015-16) S/o Late Kalyan Mal Jain, Aged About 72 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle -1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur 302005.
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15440/2025

CNR: RJHC020868522025 | URN: CW / 35043U / 2025

Mahaveer Kumar Jain (Ay 2013-14) S/o Late Kalyan Mal Jain, Aged About 72 Years, 65 Surya Nagar Gopalpura Bypass Jaipur

----Petitioner

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RAJASTHAN HIGH COURT

Versus

1. Deputy Commissioner Of Income Tax, Central Circel-1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

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D.B. Civil Writ Petition No. 15441/2025

CNR: RJHC020868692025 | URN: CW / 35044U / 2025

Geeta Devi Jain (Ay 2013-14) W/o Mahaveer Kumar Jain, Aged About 65 Years, 65 Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circel-1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15473/2025

CNR: RJHC020868602025 | URN: CW / 35174U / 2025

Sanjay Jain (Ay-2013-14) S/o Mahaveer Kumar Jain, Aged About 44 Years, 65 Surya Nagar Gopalpura Bypass Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle-1, Jaipur Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15477/2025

CNR: RJHC020868772025 | URN: CW / 35180U / 2025

Geeta Devi Jain (Ay 2015-16) W/o Mahaveer Kumar Jain, Aged

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About 65 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur.

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle-1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur- 302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15420/2025

CNR: RJHC020868562025 | URN: CW / 35011U / 2025

Mahaveer Kumar Jain (Ay 2014-15) S/o Late Kalyan Mal Jain, Aged About 72 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle -1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur 302005.
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15469/2025

CNR: RJHC020868662025 | URN: CW / 35163U / 2025

Sunita Jain (Ay 2013-14) W/o Sanjay Jain, Aged About 45 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle-1, Jaipur, Room No. 48, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

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D.B. Civil Writ Petition No. 15474/2025

CNR: RJHC020870242025 | URN: CW / 35175U / 2025

Sunita Jain (Ay 2015-16) W/o Sanjay Jain, Aged About 45 Years, 65 Surya Nagar Gopalpura Bypass Jaipur

----Petitioner

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Versus

1. Deputy Commisioner Of Income Tax, Central Circle-1, Jaipur, Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur-302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15478/2025

CNR: RJHC020869062025 | URN: CW / 35184U / 2025

Sanjay Jain (Ay 2015-16) S/o Mahaveer Kumar Jain, Aged About 44 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle -1, Jaipur Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur- 302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

D.B. Civil Writ Petition No. 15486/2025

CNR: RJHC020868462025 | URN: CW / 35202U / 2025

Sanjay Jain (Ay 2014-15) S/o Mahaveer Kumar Jain, Aged About 44 Years, 65 Surya Nagar Gopalpura Bypass Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle -1, Jaipur Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur- 302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur,

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----Respondents

D.B. Civil Writ Petition No. 15520/2025

CNR: RJHC020869962025 | URN: CW / 35264U / 2025

Sunita Jain (Ay 2014-15) W/o Sanjay Jain, Aged About 45 Years, 65, Surya Nagar, Gopalpura Bypass, Jaipur

----Petitioner

Versus

1. Deputy Commissioner Of Income Tax, Central Circle -1, Jaipur Room No. 408, 4Th Floor, Jeevan Nidhi-2, Lic Building, Ambedkar Circle, Jaipur- 302005
2. Principal Commissioner Of Income Tax (Central), New Central Revenue Building, Bhagwan Das Road, Jaipur, Rajasthan 302005

----Respondents

For Petitioner(s) : Mr. Tanuj Agrawal
For Respondent(s) : Mr. Siddharth Bapna with
Ms. Tanushka Saxena
Mr. Rahul Kumar
Mr. Jai Prakash Meena &
Mr. Yashvi Khandelwal

DIVISION BENCH

HON'BLE THE CHIEF JUSTICE MR. SANJAY K. AGRAWAL
HON'BLE MR. JUSTICE SAMEER JAIN

C.A.V. Judgment

SANJAY K. AGRAWAL, CJ

1. In the present batch of writ petitions, the ambit of the controversy, albeit not exhaustively circumscribed, is broadly and predominantly delineated by the challenge laid to the correctness and/or validity of the impugned orders whereby the respondents have given directions for reassessment under the Income Tax Act, 1961. In view of the fact that the instant writ petitions necessitate adjudication upon common and overlapping questions of law, and

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with the consent of learned counsel appearing for all contesting parties, **D.B. Civil Writ Petition No. 15442/2026**, titled **Geeta Devi Jain v. the Deputy Commissioner of Income Tax and anr.,** is hereby treated as the lead matter. It is, however, cautiously clarified that any dissimilarities or variances in the present batch of petitions are confined strictly to the individual factual matrices and shall not impinge upon, nor bear relevance to, the uniform questions of law that fall for determination before this Court; and that the instant judgment shall be applicable on *mutatis mutandis* basis on all the connected petitions.

2. The lead petition has been filed invoking the writ jurisdiction of this Court, being aggrieved of the notice under section 148A(b) dated 13.03.2024, order passed under Section 148(d) dated 29.04.2024, notice under Section 148 dated 29.04.2024 and notice issued under section 142(1) dated 25.07.2025 and reassessment proceedings under the Income Tax Act, 1961 for the annual year 2014-15.

3. Learned counsel for the petitioner submitted that the impugned reassessment proceedings initiated against the petitioner for Assessment Year 2014–15 are wholly illegal, time-barred and without jurisdiction. It was contended that the petitioner had duly filed its return of income on 17.07.2014, pursuant to which assessment was completed under Section 153A read with Section 143(3) of the Income-tax Act, 1961, on 24.12.2019, wherein additions were made on account of alleged unexplained investment in the construction of house property on the basis of the Departmental Valuation Officer (DVO) report.

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4. It was submitted that the first appellate authority, vide order dated 30.11.2023, deleted the additions by holding that no incriminating material was found during the course of search, relying upon the judgment of the Hon'ble Supreme Court in **PCIT v. Abhisar Buildwell Pvt. Ltd.**[1]. Subsequently, the respondent initiated reassessment proceedings by issuing a notice under Section 148A(b) dated 13.03.2024, solely on the basis of the DVO report, culminating in the order under Section 148A(d) and issuance of notice under Section 148 on 29.04.2024.

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5. Learned counsel further submitted that the petitioner, in response to the notice under Section 148, filed its return of income declaring the same income as originally disclosed. Thereafter, detailed objections dated 11.08.2025 were submitted challenging the validity of the reassessment proceedings on various legal grounds. However, the respondent, vide the impugned order dated 11.09.2025, rejected the objections in a mechanical and non-speaking manner, without duly considering the judgments of the Hon'ble Supreme Court or the specific objections raised by the petitioner.

6. It was contended that the reassessment proceedings are founded exclusively upon the DVO report, which, by itself, does not constitute valid information for initiating reassessment proceedings, as held by the Hon'ble Supreme Court in **Asstt. CIT v. Dhariya Construction Co.**[2]. The respondent has not only failed to consider the binding legal position and the judgments

1(2023) 459 ITR 212 (SC)
2(2010) 328 ITR 515 (SC)

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relied upon by the petitioner in this regard, but has passed the impugned order in a cryptic manner.

7. It is further submitted that the DVO erroneously adopted CPWD rates instead of the applicable State PWD rates, contrary to the principles laid down by the Hon'ble Supreme Court in **CIT, Ajmer v. Sunita Mansingha**[3]. It was stoutly averred that had the appropriate State PWD rates been applied, the alleged income escaping assessment would have fallen below the statutory threshold of Rs. 50 lakhs, thereby rendering the reassessment notices barred by limitation under Section 149(1)(a) of the Act.

8. Learned counsel contended that the respondent has failed to properly consider the objections concerning the limitation, jurisdiction and validity of the reassessment proceedings and has passed the impugned order without application of mind, in contravention of the law laid down by the Hon'ble Supreme Court in **GKN Driveshafts (India) Ltd. v. Income Tax Officer**[4]. In support of the contentions made insofar, learned counsel had placed reliance upon the ratio encapsulated in **ACIT Vs. Dhariya Construction Company**[5]**; Sardar Kehar Singh Vs. CIT**[6]**; Tara Chand Mundhra Vs. Union of India**[7]**; CIT Vs. Prem Kumari Surana**[8]**; CIT Vs. Darshan Singh**[9] **and CIT Vs. Sunita Mansingha**[10].

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3 (2017) 393 ITR 121 (SC)
4 (2003) 259 ITR 19 (SC)
5 2010 (15) SCC 251
6 CW No. 2 & 4/1990
7 CW No.3998/1988
8 IT Ref. No.33/1982
9 ITA NO. 185, 191/2002
10 2018(12) SCC 296

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9. It was, therefore, submitted that the initiation of reassessment proceedings, being founded upon an invalid basis and having been undertaken beyond the prescribed period of limitation, is unsustainable in law. The impugned order disposing of the objections, along with the consequential notices issued under Sections 148A, 148 and 142(1) of the Income-tax Act, 1961, deserves to be quashed and set aside. Accordingly, learned counsel for the petitioner prayed that the writ petition be allowed and the impugned reassessment proceedings be declared illegal, time-barred and without jurisdiction.

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10. Per contra, learned counsel for the respondents submitted that the petitioner-assessee had filed his return of income on 08.08.2018 under Section 139(1) of the Income-tax Act, 1961. Subsequently, search and seizure action under Section 132(1) of the Act was conducted at the premises of the petitioner-assessee on 28.09.2017, pursuant to which assessment proceedings were initiated and culminated in the passing of the assessment order dated 24.12.2019 under Section 153A read with Section 143(3) of the Act.

11. It was submitted that the petitioner-assessee had preferred an appeal before the Commissioner of Income Tax (Appeals)-4, Jaipur, which was partly allowed vide order dated 30.11.2023, whereby the additions made by the Assessing Officer were deleted on the ground that the same were not based upon any incriminating material found during the course of search.

12. Learned counsel further submitted that, subsequently, on the basis of the search conducted and the report of the District

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Valuation Officer (DVO), the answering respondent had issued a show-cause notice dated 12.03.2024 under the relevant provisions of the Act. The objections submitted by the petitioner-assessee thereto were rejected vide order dated 29.04.2024 passed under Section 148A(d) of the Act, whereafter notice under Section 148 of the Act was issued on the same date. In response thereto, the petitioner-assessee had filed his return of income declaring the same income as originally disclosed in the return filed under Section 139(1) of the Act.

13. It was contended that the petitioner-assessee had an efficacious alternative statutory remedy available under the provisions of the Income-tax Act, 1961, whereby all legal, factual and jurisdictional objections could be raised before the Assessing Officer during the reassessment proceedings, followed by an appeal before the Commissioner of Income Tax (Appeals) and, thereafter, before the Income Tax Appellate Tribunal, if aggrieved. It was submitted that the petitioner had bypassed the statutory mechanism and had directly invoked the extraordinary writ jurisdiction of this Court under Article 226 of the Constitution of India.

14. Learned counsel for the respondents placed reliance upon the judgment of the Hon'ble Supreme Court in **Commissioner of Income Tax & Ors. v. Chhabil Das Agarwal**[11], wherein it was held that where the statute provides a complete machinery for assessment and reassessment, the assessee ought not to bypass the same and invoke the writ jurisdiction, particularly when an

11 (2014) 1 SCC 603

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efficacious alternative remedy is available. It was further submitted that the present matter involved disputed factual issues relating to valuation, which could appropriately be examined by the statutory authorities. It was further contended that the respondents had acted bona fide and strictly in accordance with the statutory provisions. In support thereof, learned counsel relied upon the judgment passed by this Court in **Sachin Panchal v. Deputy Commissioner of Income Tax & Ors.**[12], wherein the Court had examined the applicability of the amended provisions of Section 149 of the Act, read with the erstwhile provisions of Sections 153A and 153C, and had held that the limitation for issuance of notice under Section 148, under the amended provisions, was required to be construed in accordance with the period within which proceedings could have been initiated under the erstwhile provisions of Sections 153A and 153C of the Act.

15. Accordingly, learned counsel submitted that the reassessment proceedings had been initiated in accordance with law and that the petitioner-assessee had an adequate and efficacious alternative remedy under the statutory framework. It was, therefore, prayed that the writ petition, being premature and not maintainable in view of the availability of an alternative remedy, deserved to be dismissed.

16. Having heard learned counsel for the parties, perused the material available on record and considered the rival submissions, this Court finds that the controversy involved in the present writ petition essentially pertains to the legality and jurisdictional

12 D.B. Civil Writ Petition No. 14368/2025

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validity of the reassessment proceedings initiated against the petitioner-assessee for the relevant assessment year, particularly when the initiation thereof was founded upon the report of the Departmental Valuation Officer (DVO), and the objections raised by the petitioner with regard to the validity of such proceedings were rejected without due consideration of the binding judicial precedents.

17. At the outset, this Court considers it appropriate to deal with the preliminary objection raised by the respondents regarding the availability of an efficacious alternative statutory remedy. It is true that the Hon'ble Supreme Court in the ratio encapsulated in **Chhabil Das Agarwal** (supra), has reiterated the settled principle that ordinarily, where a statute provides an effective and efficacious alternative remedy, the writ jurisdiction under Article 226 of the Constitution of India ought not to be exercised. However, the said principle is not an absolute bar to the exercise of constitutional jurisdiction by this Court. The Hon'ble Supreme Court in **Whirlpool Corporation v. Registrar of Trade Marks, Mumbai & Ors.**[13], has categorically held that the existence of an alternative remedy does not operate as an absolute impediment to the exercise of jurisdiction under Article 226 of the Constitution of India, particularly where the proceedings are wholly without jurisdiction, where there is a violation of the principles of natural justice, where enforcement of fundamental rights is sought, or where the vires of a statutory provision is challenged.

13 (1998) 8 SCC 1

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18. The aforesaid principles have subsequently been reiterated and elaborated by the Hon'ble Supreme Court in **Radha Krishan Industries v. State of Himachal Pradesh & Ors.**[14], wherein it was held that the rule of exhaustion of alternative remedies is a rule of policy, convenience and discretion, and does not divest the High Court of its constitutional powers in an appropriate case.

19. In the present matter, the petitioner has not merely raised disputed questions relating to the quantum of valuation or the determination of taxable income. The challenge is fundamentally directed against the very assumption of jurisdiction by the Assessing Officer, the alleged initiation of reassessment proceedings beyond the prescribed period of limitation and the failure of the respondent authority to consider the objections raised by the petitioner in accordance with the settled principles of law. Such issues go to the root of the jurisdiction of the Assessing Officer and cannot be relegated to the appellate forum merely on the ground of availability of an alternative remedy.

20. This Court, therefore, finds that the present case falls within the recognized exceptions to the rule of alternative remedy, as enunciated by the Hon'ble Supreme Court in **Whirlpool Corporation** (supra). Consequently, the objection raised by the respondents regarding maintainability of the writ petition does not merit acceptance.

21. Coming to the merits of the controversy, it emerges from the record that the petitioner-assessee had filed his return of income under Section 139(1) of the Income-tax Act, 1961. Thereafter,

14 (2021) 6 SCC 771

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search and seizure proceedings under Section 132(1) of the Act were conducted at the premises of the petitioner-assessee on 28.09.2017, pursuant to which assessment proceedings culminated in the passing of an assessment order dated 24.12.2019 under Section 153A read with Section 143(3) of the Act. The petitioner thereafter preferred an appeal before the Commissioner of Income Tax (Appeals)-4, Jaipur, which was partly allowed vide order dated 30.11.2023, whereby the additions made by the Assessing Officer were deleted on the ground that the same were not based upon any incriminating material found during the course of search, relying upon the judgment of the Hon'ble Supreme Court in **Abhisar Buildwell Pvt. Ltd.** (supra).

22. Subsequently, the respondent authority initiated reassessment proceedings by issuing a show-cause notice under Section 148A(b) of the Act on the basis of the DVO report, followed by an order under Section 148A(d) dated 29.04.2024 and issuance of notice under Section 148 of the Act on the same date. The petitioner, in response thereto, filed the return of income declaring the same income as originally disclosed. The principal objection raised by the petitioner is that the reassessment proceedings have been initiated solely on the basis of the DVO report, without there being any independent tangible material or information forming the basis of a valid belief regarding escapement of income. In this regard, the dictum of the Hon'ble Supreme Court in **Dhariya Construction Co**. (supra), assumes significance. The Hon'ble Supreme Court, while examining the validity of reassessment proceedings initiated on the basis of the

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opinion furnished by the DVO, held that the opinion of the DVO per se does not constitute information for the purposes of reopening an assessment under Section 147 of the Act. It was further held that the Assessing Officer is required to apply his mind to the information, if any, collected and independently form the requisite belief. For the sake of reference the relevant extract is reproduced hereinbelow:

> *"2.* ***Opinion of the DVO per se is not an information for the purposes of reopening assessment under section 147 of the Income Tax Act, 1961****. The A.O. has to apply his mind to the information, if any, collected and must form a belief thereon."*
>
> *(Emphasis supplied)*

23. The aforesaid pronouncement lays down a binding principle that the opinion of the DVO, by itself, cannot be treated as sufficient foundation for initiating reassessment proceedings. The statutory authority is required to independently examine the material and arrive at a legally sustainable conclusion regarding escapement of income. In the present case, the respondents have sought to justify the initiation of reassessment proceedings on the basis of the DVO report. However, the objections raised by the petitioner specifically questioned the legality of such initiation in view of the aforesaid judgment of the Hon'ble Supreme Court. The impugned order disposing of the objections does not demonstrate that the respondent authority undertook any independent examination of the material or addressed the binding legal position governing the use of a DVO report for reopening an assessment.

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24. It is a settled principle of law that the mere existence of a valuation report cannot substitute the statutory requirement of formation of an independent belief by the Assessing Officer. The jurisdiction to reopen an assessment cannot be exercised mechanically or merely on the basis of an opinion furnished by another authority. The action of the respondent authority, therefore, cannot be sustained if the DVO report constituted the sole basis for initiation of reassessment proceedings and no independent material or application of mind was demonstrated in accordance with law.

25. Another significant aspect of the matter is the objection raised by the petitioner with regard to the adoption of Central Public Works Department (CPWD) rates by the DVO instead of the applicable State Public Works Department (PWD) rates for determining the alleged unexplained investment in the construction of the property. In this regard, the petitioner has placed reliance upon the dictum of the Hon'ble Supreme Court in **CIT, Ajmer v. Sunita Mansingha**[15], wherein the Hon'ble Supreme Court upheld the applicability of local PWD rates in place of CPWD rates for the purpose of determining the cost of construction. The relevant extract from the aforerelied ratio is reproduced hereinbelow:

> *"2. From the order of the Tribunal we find that the Tribunal has even though held that the reference to the Departmental Valuation Officer in question is not valid, in view of the decision of this Court in the Case of* ***Amiya Bala Paul v. CIT (2003) 262 ITR 407****, but it has also held that it is s settled principle of law that in place of Central Public Works Department rates local Public Works Department*

15 (2017) 393 ITR 121 (SC)

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rates are to be applied and adopted to determine the cost of construction. In view of the fact that Section 142A was inserted by Finance (No.2)Act, 2014 (23 of 2004) w.e.f. 15th November, 1972 and subsequently again substituted by Finance Act, 2010 (14 of 2010) w.e.f. 1st July, 2010 and Finance (No.2) (225 of 2014) wef. 1st October, 2014, as the proviso to sub-section (3) of Section 142A as it existed during the relevant period, reference to the Departmental Valuation Officer can be made because assessment in the present case had not become final and conclusive because the appeal preferred by the Revenue under Section 260A of the Income Tax Act, 1961 was pending before the Rajasthan High Court.

3. However, in view of the finding recorded by the Tribunal that the local Public Works Department rates are to be applied and adopted in place of Central Public Works Department rates, we do not find any good ground to interfere in the impugned judgment on this issue on merits. The appeal fails and is dismissed."

26. The Hon'ble Supreme Court, while considering the issue, observed that the local PWD rates were required to be applied and adopted in place of CPWD rates for determination of the cost of construction. The said principle assumes relevance in the present case, particularly when the petitioner has specifically contended that the adoption of CPWD rates has resulted in an inflated valuation of the property and consequently in an incorrect computation of the alleged income escaping assessment. The petitioner has further contended that, upon adoption of the applicable State PWD rates, the alleged income escaping assessment would fall below the statutory threshold of Rs. 50 lakhs, thereby materially affecting the applicability of the extended period of limitation under Section 149 of the Act.

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27. This Court finds that the aforesaid objection was not a mere technical objection but one which directly affected the jurisdiction of the Assessing Officer to initiate reassessment proceedings. The determination of the applicable valuation rates was, therefore, intrinsically connected with the question of limitation and the legality of the reassessment notices. Where the jurisdiction of the Assessing Officer is dependent upon the satisfaction of a statutory monetary threshold, the authority is required to examine the relevant material and objections with due care and application of mind. An erroneous determination of the alleged escaped income, particularly where such determination is based upon the adoption of an incorrect valuation methodology, cannot be permitted to sustain the assumption of jurisdiction if the statutory conditions are otherwise not fulfilled.

28. The respondents, therefore, could not have brushed aside the petitioner's objection regarding the applicability of State PWD rates and the consequential effect upon limitation without undertaking a reasoned examination of the same. This Court further finds that the manner in which the objections raised by the petitioner were disposed of is contrary to the settled principles governing the procedure for reassessment proceedings.

29. The Hon'ble Supreme Court in **GKN Driveshafts (India) Ltd.** (Supra) has laid down that where an assessee, upon receipt of a notice under Section 148 of the Act, seeks reasons for reopening and raises objections thereto, the Assessing Officer is required to dispose of such objections by passing a speaking order before proceeding further with the reassessment. The requirement

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of passing a speaking order is not an empty formality. It is intended to ensure that the Assessing Officer has duly considered the objections raised by the assessee and has applied his mind to the jurisdictional requirements of the reassessment proceedings.

30. In the present case, the petitioner had raised specific objections concerning the validity of initiation of reassessment proceedings on the basis of the DVO report, the applicability of the judgment in **Dhariya Construction Co**. (supra), the adoption of CPWD rates instead of State PWD rates and the consequential issue of limitation under Section 149 of the Act. The impugned order disposing of the objections does not reflect a meaningful consideration of the aforesaid objections in the light of the binding judgments of the Hon'ble Supreme Court. The failure to deal with the material legal objections raised by the petitioner renders the impugned order unsustainable.

31. It is well settled that an administrative or quasi-judicial authority exercising statutory powers is required to record reasons for its decision, particularly when the decision affects the rights and liabilities of the assessee. A reasoned order ensures transparency, fairness and judicial accountability in the exercise of statutory jurisdiction. The Hon'ble Supreme Court in **Kranti Associates Pvt. Ltd. v. Masood Ahmed Khan**[16], has emphasized the necessity of recording reasons by judicial, quasi-judicial and administrative authorities exercising adjudicatory functions. The Court held that recording of reasons is an essential

16 (2010) 9 SCC 496

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component of the principles of natural justice and reflects the application of mind by the authority concerned.

32. Applying the aforesaid principles to the facts of the present case, this Court finds that the objections raised by the petitioner were of a substantial jurisdictional nature and required specific consideration. The respondent authority could not have rejected the same in a mechanical manner without examining their legal implications. The failure to consider the binding precedent in **Dhariya Construction Co.** (supra), coupled with the absence of a reasoned determination of the objection concerning the applicability of State PWD rates and the statutory limitation, has resulted in an order which does not satisfy the requirements of a lawful exercise of jurisdiction.

33. It is also necessary to observe that the judgment passed by this Court in **Sachin Panchal** (supra), relied upon by the respondents, does not dispense with the requirement of compliance with the statutory conditions governing reassessment proceedings. The said judgment dealt with the interpretation of the amended provisions of Section 149 read with the erstwhile provisions of Sections 153A and 153C of the Act in the context of search-related proceedings. The interpretation of the limitation provisions in the aforesaid judgment cannot be construed to confer an unrestricted power upon the Assessing Officer to initiate reassessment proceedings irrespective of the statutory requirements. The applicability of the limitation provisions has to be examined with reference to the facts of each case and the satisfaction of the conditions prescribed under the Act. The

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respondents were, therefore, required to establish that the reassessment proceedings initiated against the petitioner were within the prescribed period of limitation and were founded upon legally sustainable information. The availability of an extended limitation period, where applicable, cannot cure the absence of a valid jurisdictional foundation for reassessment.

34. This Court is conscious of the fact that the reassessment proceedings involve questions relating to valuation and computation of income. However, the present controversy does not require this Court to undertake a fresh determination of the actual cost of construction or to adjudicate upon the quantum of alleged unexplained investment. The limited issue is whether the reassessment proceedings were initiated in accordance with the statutory requirements and whether the objections raised by the petitioner were lawfully considered. The existence of disputed factual questions does not preclude the exercise of writ jurisdiction where the challenge is directed against the assumption of jurisdiction itself and the impugned action is found to suffer from a manifest legal infirmity.

35. In view of the foregoing discussion, this Court is of the considered opinion that the reassessment proceedings cannot be sustained merely on the basis of the DVO report, particularly when the respondent authority has failed to demonstrate independent application of mind to the material relied upon for initiating the proceedings. Further, the objections relating to the applicability of State PWD rates and the consequential effect upon limitation were

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required to be considered in a reasoned manner, which has not been done.

36. The impugned order disposing of the objections, therefore, suffers from non-application of mind and is contrary to the principles laid down by the Hon'ble Supreme Court in the ratio enunciated in **Dhariya Construction Co**. (supra) and **GKN Driveshafts (India) Ltd.** (supra). The action of the respondents, in the facts and circumstances of the present case, is consequently found to be unsustainable in law.

37. Accordingly, the present batch of writ petitions is **allowed**. The impugned order dated 29.04.2024 passed under Section 148A(d) of the Income-tax Act, 1961, and the consequential notice issued under Section 148 of the Act, along with the subsequent reassessment proceedings, are hereby quashed and set aside (*mutatis mutandis* in the connected petitions). The subsequent proceedings initiated pursuant to the aforesaid notices, including the notice issued under Section 142(1) of the Act, shall consequently stand quashed. The respondents are directed to act in accordance with the statutory provisions and the law laid down by the Hon'ble Supreme Court.

38. No order is made as to costs. Pending applications, if any, shall stand disposed.

39. A copy of the present order be separately placed in each connected file.

(SAMEER JAIN),J (SANJAY K. AGRAWAL),CJ

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