# Neena Singh Thakur v. Principal Commissioner of Income Tax and another

CWP No.3681 of 2024

2025:HHC:14151 | 2025-05-14

**Unreasoned reassessment gateway order set aside; fresh determination directed, with detailed reasons required if a section 148 notice is still considered necessary, by 31 August 2025.**

148A(b) | 148A(d) | 148

Division Bench | Tarlok Singh Chauhan | Sushil Kukreja

## 01 FACTS OF THE CASE

For AY 2017-18, Neena Singh Thakur challenged the 29 February 2024 section 148A(d) order and section 148 notice. The reproduced 15 January 2024 show-cause notice listed property-purchase information of Rs.1,21,00,000, TDS consideration information of the same amount, and bank interest of Rs.35,109, totalling Rs.2,42,35,109. She replied with documents and stated that the actual property value was Rs.1,31,63,935. The Court found no reason in the almost ten-page order for concluding that escaped income exceeded Rs.50,00,000.

Source: PDF pp.1–4

## 02 DISCUSSION BY THE HON'BLE COURT

The Court held that a section 148A inquiry need not invariably lead to a section 148 notice. The AO must decide, on the record including the taxpayer's reply, whether it is a fit case, and cannot defer that responsibility merely by calling the stage preliminary and saying detailed examination is needed. Reasons must appear in the order. Drawing on Supreme Court reason-giving authorities, the Court emphasized meaningful consideration, clarity, fairness and effective judicial review.

Source: PDF pp.4–12

## 03 JUDICIAL DECISION

The AO's order was set aside for absence of cogent or plausible reasons and the matter remanded for a fresh decision in accordance with law. If the AO still considered a section 148 notice necessary, detailed reasons were required. Decision was directed as expeditiously as possible and no later than 31 August 2025. The petition and pending applications were disposed of.

Source: PDF pp.12–13

## 04 OUTCOME / IN WHOSE FAVOUR

The petitioner succeeded in obtaining a reasoned fresh determination. The Court did not finally decide the source of the investment, quantify taxable escaped income, grant a refund or permanently prohibit reassessment.

Source: PDF pp.4–5 and 12–13


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## 05 EXPERT COMMENTS

Section 148A(d) required an actual decision on the reply, not a reservation for later — The defect identified was not simply that the AO's order was short; it was almost ten pages long. The Court found that it gave no reasons supporting the conclusion about escaped income above Rs.50 lakh and deferred the taxpayer's explanation to a later detailed examination. The gateway decision itself required consideration of the available material and reply. A lengthy recital of facts therefore could not substitute for a reasoned answer to the relevant controversy. The Court also records the requirement of prior approval of the specified authority, but does not separately find in this judgment that such approval was absent. (Source: PDF pp.4–6).

Information values must not be represented as finally established escaped income — The annexure's Rs.2,42,35,109 total combines two Rs.1,21,00,000 property-related information entries and Rs.35,109 interest. The petitioner's stated property value, Rs.1,31,63,935, is a different figure recorded in her response. These amounts have different roles in the source: information entries, a taxpayer explanation, and the threshold whose application lacked reasons. The judgment does not itself reconcile every entry, hold that the property figures were impermissibly double-counted, or determine what part was taxable income. Those conclusions cannot be inferred from arithmetic alone. (Source: PDF pp.2–5).

Reason-giving is the applied safeguard; the quoted authorities do not decide the tax facts — The Court relies on Kranti Associates, Ravi Yashwant Bhoir, S.N. Mukherjee and Pankaj Garg while explaining why reasons restrain arbitrariness, disclose consideration of relevant matters and permit review. Those passages support its criticism of the particular AO order. They do not supply a judicial finding about this taxpayer's bank balances, source of funds or eventual reassessment liability. The note paraphrases that applied rationale rather than presenting the many quoted general propositions as separate holdings on reassessment facts. The underlying cited decisions and later treatment have not been independently cleared for this note. (Source: PDF pp.5–12).

The operative remand remains conditional on the fresh examination — The Court sets aside the AO's order and directs a fresh lawful decision. Its express instruction is that, if a section 148 notice is still considered necessary, the AO must record detailed reasons for that conclusion. The note therefore does not convert the remand into permanent immunity from reopening or a final finding that no income escaped assessment. Nor does it enlarge the exact operative wording into an unexpressed cancellation of every subsequent tax act. The stated outer date, 31 August 2025, is historical; the source gives no evidence of what decision followed or whether the deadline was met. (Source: PDF pp.12–13).

The notice and order descriptions should remain distinguishable — The relief concerns the 29 February 2024 section 148A(d) order, while the reproduced notice dated 15 January 2024 is headed as a notice under clause(b) of section 148A with a 25 January reply deadline. Paragraph 2 of the judgment's narrative refers to a notice under 148A(d), creating a textual mismatch with the reproduced heading. The source is retained unaltered; the note identifies the two procedural documents from their own reproduced descriptions without silently rewriting the judgment. The decision is for AY 2017-18, CWP 3681/2024, neutral citation 2025:HHC:14151, before Tarlok Singh Chauhan and Sushil Kukreja. (Source: PDF pp.1–5 and 13).

Source: PDF pp.1–13

## SOURCE & VERIFICATION

Original court judgment / order

Full original read; every original page visually inspected.


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## STATUTORY SCOPE

Provisions and historical figures are recorded only as addressed in this judgment. No current statutory position or subsequent-treatment clearance is represented.

## LATER TREATMENT

Appeal, review, recall and stay status has not been independently confirmed.


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