Jyotsnarani Dash v. Principal Commissioner of Income Tax, Bhubaneswar-1 & Ors.

W.P.(C) No. 10407 of 2025

W.P.(C) No. 10407 of 2025 (Orissa HC, decided 27.11.2025) | 2025-11-27

Reassessment order under section 147 read with section 144B disputing capital gains and section 54F deduction for AY 2020-21: writ petition not entertained in view of statutory appellate remedy; liberty granted to appeal.

Income-tax Act, 1961: sections 54F, 144, 144B, 147, 148 and 148A | Constitution of India: Articles 226 and 227

High Court of Orissa | 2-judge bench (Division Bench) | Harish Tandon, C.J. | Murahari Sri Raman, J.

Assessment years: 2020-21

Alternative-remedy disposal; factual claims on cost of acquisition and section 54F left open for CIT(A)

The High Court did not adjudicate the merits of the section 54F deduction or the difference between declared sale consideration and the investigation report for AY 2020-21, leaving all contentions open before the appellate authority.

01 FACTS OF THE CASE

The petitioner challenged a reassessment order dated 12.03.2025 passed under section 147 read with section 144B for AY 2020-21 and consequential demand notice, contending that the AO had not properly considered her reply under section 148A/148 or called for evidence regarding cost of acquisition, cost of improvement, and investment in a new capital asset under section 54F.

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02 DISCUSSION BY THE HON'BLE COURT

The petitioner alleged inadequate opportunity to explain acquisition and improvement costs, new-asset investment and the difference in sale consideration. Revenue disputed the alleged lack of opportunity and relied on the appellate remedy. The Court found that explanations concerning capital-gains deductions and exemptions required factual adjudication and that the appellate authority could deal with the issues raised. It did not determine whether the AO had actually afforded sufficient opportunity.

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03 JUDICIAL DECISION

Without entering the merits, the Court disposed of the writ petition, observing that the petitioner could avail the available alternative remedy against the assessment order and raise all contentions, including jurisdictional issues, before the appellate authority. Pending interlocutory applications were disposed of.

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04 OUTCOME / IN WHOSE FAVOUR

No interference with the assessment in writ jurisdiction. The merits of capital-gains deductions, natural-justice objections and any jurisdictional issues remain for the appellate forum; the order grants no deduction, stay or extension of appeal limitation.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Why the evidentiary forum mattered — Dash's challenge combined a reassessment objection with questions about acquisition cost, improvement expenditure, reinvestment and sale consideration. The Court regarded the explanations and supporting material as needing factual adjudication. This is a case-specific reason for leaving the dispute to appeal; it is not a ruling that an allegation of denial of hearing can never justify writ intervention.

Keep jurisdiction and computation distinct in the appeal — The liberty expressly extends to jurisdictional issues. A challenge to the section 148A process can therefore be presented alongside, rather than substituted by, the evidence supporting costs and section 54F relief. The order does not validate the initiation of reassessment merely because it selects an appellate forum, nor does it accept the claimed deduction.

Procedural liberty is not financial protection — The operative paragraph leaves the assessment challenge to remedies available under law. It neither quashes the demand nor grants recovery protection, condonation or a fresh filing period. The practical use of the judgment is to preserve the open grounds and identify the evidence requiring consideration; any procedural relief in the appeal must rest on its own basis.

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SOURCE & VERIFICATION

High Court of Orissa official judgment PDF - AKHB Cloud Repository (20251127_ODHC010261252025.pdf)

4-page official High Court of Orissa judgment PDF (20251127_ODHC010261252025.pdf).

All 4 original pages read and visually inspected; all five panels audited.

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STATUTORY SCOPE

The order concerns the AY2020-21 reassessment and the availability of an appellate forum for factual and jurisdictional objections. It does not decide section 54F eligibility or identify the appeal provision by number.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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