

Appropriate Authority and Another v. Kailash Suneja and Another

Civil Appeal Nos. 6050-6051 of 1998

[2001] Supp 1 SCR 343 | 2001-08-07

Chapter XX-C property valuation: limited judicial review of unsupported assumptions and inconsistent methods.

Income-tax Act, 1961: Chapter XX-C | Constitution of India: Articles 226 and 136

2-judge bench; unanimous judgment delivered by S. Rajendra Babu, J. | S. Rajendra Babu, J. | K. G. Balakrishnan, J.

Assessment years: Property transfer statement filed 9 July 1993

Historical statutory setting

Chapter XX-C was a historical pre-emptive purchase regime; no current property-transfer or valuation rule is represented.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

The respondents agreed to sell an approximately 800-square-yard, two-floor tenanted Delhi property for Rs.79 lakh and filed Form 37-I. The Appropriate Authority compared three other properties, treated the consideration as 24% below fair market value and ordered pre-emptive purchase (SCR pp.343-345; PDF pp.1-3).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Although a reasonable valuation method based on germane material is not reappraised as an appeal, the authority used vacant-property comparisons, unsupported monthly appreciation and tenant-vacation assumptions, and unexplained different methods for comparable tenanted properties. Article 226 review could address those defects in the reasoning process (SCR pp.345-350; PDF pp.3-8).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court declined to disturb the High Court's setting aside of the purchase action, dismissed both appeals and made no costs order (SCR p.350; PDF p.8).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the respondents on judicial review; the Court did not determine a substitute fair market value (SCR pp.349-350; PDF pp.7-8).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: support each comparable and adjustment with evidence and explain departures from methods used for similar property. Frame review around rationality and process, not a fresh merits valuation (based on SCR pp.349-350; PDF pp.7-8).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Full 8-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 8-page count match catalogue asset S_2001_1_343_350; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

Chapter XX-C was a historical pre-emptive purchase regime; no current property-transfer or valuation rule is represented.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.