# Innovation Industries v. Assistant Commissioner of Income Tax & Ors.

Writ Petition 7369/2005

W.P. No. 7369/2005 (Andhra Pradesh High Court, 2005-04-13) | 2005-04-13

## Capital-gains valuation notice left for objections before assessment

Andhra Pradesh High Court | Division Bench at Hyderabad | B. Sudershan Reddy | C.V. Ramulu

Assessment years:

### 01 FACTS OF THE CASE

Innovation Industries challenged a notice dated 18 February 2005 proposing sale consideration for capital-gains computation by reference to the value used for stamp duty. No final tax determination had been made. The source states a proposed Rs.1,95,18,000 but also a document value of Rs.1,94,18,000; those differing figures are not reconciled.

Source: PDF pp.4–5

## 02 DISCUSSION BY THE HON'BLE COURT

The petitioner disputed reliance on stamp valuation. The Court left that objection to the assessing authority because the notice determined no issue and inherent lack of jurisdiction was not alleged. It expressed no opinion on the merits of the valuation argument.

Source: PDF pp.4–5

## 03 JUDICIAL DECISION

The writ was dismissed without costs. The petitioner could file objections within two weeks from the order, to be received and decided according to law, uninfluenced by the Court's observations.

Source: PDF pp.4–5

## 04 OUTCOME / IN WHOSE FAVOUR

The notice and assessment process continued, with an opportunity for objections. No valuation, capital-gains amount or tax demand was judicially confirmed.

Source: PDF pp.4–5

## 05 EXPERT COMMENTS

A proposed figure is not a completed assessment — The central reason for non-interference was that liability remained to be determined. The Department's proposal could still be met by objections. Treating dismissal as approval of a stamp-value substitution would turn an expressly reserved merits question into a holding.

The jurisdiction observation is limited to this challenge — The Court recorded that the petitioner did not allege inherent lack of jurisdiction. It did not formulate an absolute prohibition on challenging every notice. The opportunity to object and direction for independent consideration are integral parts of this particular procedural outcome.

Keep the inconsistent amounts and unstated provision visible — The source gives two values differing by Rs.1 lakh and does not reconcile them. Neither is reported here as finally assessed income or tax. Although stamp valuation is discussed, the order names no substantive Income-tax Act section; inserting a section or assessment year would exceed the source.

Source: Editorial analysis; source references in the structured comments

## SOURCE & VERIFICATION

Andhra Pradesh High Court order; verified source copy

Complete 7-page supplied source; all pages read.

All 7 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies. PDF p.4 states proposed consideration Rs.1,95,18,000 and document market value Rs.1,94,18,000; preserved as a source inconsistency, not resolved by inference.

## STATUTORY SCOPE

Only source-supported provisions are indexed; no Income-tax Act, 2025 equivalence is asserted.

## LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not 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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