i.E. Vittal and anr. Vs. Appropriate Authority and ors.

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SooperKanoon Citation : sooperkanoon.com/432478

Court : Andhra Pradesh

Decided On : Jun-17-1996

Reported in : 1996(3)ALT707; (1997)137CTR(AP)396; [1996]221ITR760(AP)

Judge : B. Sudershan Reddy and ;S.S. Mohammed Quadri, JJ.

Acts : Income Tax Act, 1961 - Sections 269C, 269RR, 269UA, 269UB, 269UC, 269UD, 269UD(1), 269UD(2), 269UG and 269UH

Appeal No. : Writ Petns. Nos. 10271 and 12417 of 1994 and 2958 of 1995

Appellant : i.E. Vittal and anr.

Respondent : Appropriate Authority and ors.

Advocate for Def. : S.R. Ashok, Adv.

Advocate for Pet/Ap. : Y. Ratnakar, ;Vedula Srinivas and ;L. Narasimha Reddy, Advs.

Judgement :
ORDER

UNDER S. 269UD--Validity.

Ratio :

Order passed under section 269UD is not valid where the same was based on non-comparable sale instances and appropriate authority violated principles of natural justice as copies of documents relied on by him were not provided to agreement holders.

HELD

Not providing copies of the agreements which were relied upon by the appropriate authority to record an adverse finding against the agreement holders amounts to denial of opportunity of being heard resulting in violation of the principles of natural justice which would vitiate the proceedings.What is more surprising is that the appropriate authority did not rely on sale of property in the same locality as not a comparable sale whereas he relied upon agreement for sale of property in another locality which is about 10 kms. away, treating it as a comparable sale. Indeed, from the plan it appears that the comparable sale relied upon by the agreement holders is of the property which is only 250 metres away from the property in question. However, another submission is made by learned standing counsel for the revenue to disregard the sale of the said property on the ground that it relates to small extent of land. It is well-settled that consideration for sale of small extents of lands is always more than the consideration for large extents of lands. So this contention is untenable. If the consideration mentioned in this sale deed is accepted as representative of fair market value of land it becomes difficult to support or sustain the finding of understatement of consideration in the agreement for sale in question, recorded by the appropriate authority.The order passed under section 269UD is therefore quashed.

Application :

Also to current assessment years.

Income Tax Act 1961 s.269UD