

IN THE INCOME TAX APPELLATE TRIBUNAL  
BANGALORE BENCHES “ C ” BENCH: BANGALORE

**BEFORE SHRI A.K. GARODIA, ACCOUNTANT MEMBER  
AND  
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER**

ITA No.2313/Bang/2018  
(Assessment Year: 2015-16)

Srirangapatna Ramachandara Udayshankar,  
No.80, 1<sup>st</sup> Main Road, Chamarajpet,  
Bangalore.  
PAN AAHPU 7652H

....Appellant

Vs.

Dy. Commissioner of Income Tax,  
Circle 5(2)(1), Bangalore.

.....Respondent.

Assessee By:	Shri S. Ramasubramaniam, C.A.
Revenue By:	Smt. R. Premi, JCIT (D.R)

Date of Hearing :	18.02.2020
Date of Pronouncement :	19.02.2020

**ORDER**

**PER SHRI PAVAN KUMAR GADALE, JM :**

The assessee has filed an appeal against the order of Commissioner of Income Tax (Appeals)-5, Bangalore passed u/s 143(3) and 250 of the Income Tax Act, 1961 (the Act).

2. The assessee has raised the following grounds of appeal :

1. That the order of the Commissioner of Income Tax (Appeals) in so far is prejudicial to the interests of the appellant in so far is bad and erroneous to the facts and circumstances of the case.
  2. That the learned Commissioner of Income Tax (Appeals) erred in law and on facts in confirming the addition of agricultural income of Rs. 21,50,000/- as other income even though the appellant has produced the details and information of agricultural income.
  3. That the learned Commissioner of Income Tax (Appeals) erred in law and on facts in holding that the genuineness of the agricultural income cannot be verified and such finding is contrary to the materials available on record.
  4. That the learned lower authorities erred in law and on facts in holding that the compared to others the appellant's agricultural income is very less and such finding is without any supporting materials on record.
  5. That the learned lower authorities erred in law and on facts in assessing the agricultural income as in spite of appellant owing 59.35 acres of coffee plantation.
3. The Brief facts of the case that, the assessee is engaged in contract works and derives income from Business and income other sources and agricultural income. The Return of Income was filed on 30.10.2015 with total income of Rs.69,74,070/-. Subsequently, the case was selected for scrutiny under CASS and Notice under Section 143(2) and 142(1) of the Act were issued. In compliance, the LdAR appeared from time to time and the case was discussed. The Assessing Officer found mis-match of contract receipts and also observed that the assessee has disclosed net agricultural income of Rs.21,50,000/-after claiming expenditure

of Rs5,50,000/-and called for the evidences. In compliance assessee filed letter dt.5.7.2017 along with details of ownership, agricultural income receipts, ledger extracts and the details of expenses. Whereas the Assessing Officer dealt on net agricultural income of Rs.21,50,000 and presumed, that the gross agriculture income will be much higher and disputed the agriculture receipts and made addition of net agricultural income of Rs21,50,000/- and Assessed taxable income of Rs.91,24,070/- and passed the order under Section 143(3) of the Act dt.8.11.2017. Aggrieved by the assessment order, the assessee has filed an appeal with the CIT (Appeals), whereas CIT (Appeals) concurred with the observations of the Assessing Officer and dismissed the assessee appeal. Aggrieved by the CIT (Appeals) order, the assessee has filed an appeal with the Tribunal.

4. At the time of hearing, the learned Authorized Representative submitted that the CIT (Appeals) has erred in confirming the addition of agriculture income irrespective of the fact that the assessee has been offering the agriculture income from earlier assessment years and was accepted by the Revenue. Further the assessee has substantiated the ownership of agriculture land holdings which is not disputed by the Revenue, further filed Paper Book with details of agriculture holdings and extracts of agriculture receipts and prayed for allowing the appeal. Contra, the learned Departmental Representative supported the orders of Assessing Officer and CIT (Appeals).

5. We heard the rival contentions and perused the material on record. Prima facie, the learned Authorized Representative's contentions are that the Assessing Officer has made addition of net agriculture income of Rs.21,50,000/- due to non availability of evidence to substantiate the gross agriculture income. Whereas, the assessee has filed written submissions in the appellate proceeding with CIT(A), and explained, the agriculture income offered by the assessee from assessment years 2011-12 to 2015-16, and the agriculture income was accepted by the Revenue in the income tax assessments. The LdAR demonstrated the computation of income for Assessment Year 2014- 2015 at page 27 of the Paper Book, where the assessee has disclosed the net agriculture income and it was considered in computing the total income for rate purpose. Further at page 22 of the Paper Book, assessment order for AsstYear 2014-2015 under Section 143(3) of the Act dt.29.07.2016 was filed. On perusal of the assessment order, we found the assessee has filed return of Income disclosing agriculture income and was not disputed by the Revenue. Further, The Id. AR filed the details of agriculture land holding, invoice copies to substantiate the receipt of agriculture income. Considering the facts and circumstances and evidence filed, we are of the opinion that the Assessing Officer has made estimation of agriculture income without any basis, therefore we consider it appropriate to remit the disputed issue to the file of Assessing officer. Accordingly, we set aside the order of CIT(Appeals) and restore

the entire disputed issues for limited purpose to the file of Assessing Officer for examination and verification and the assessee should be provided adequate opportunity of hearing and shall co-operate in submitting the information and allow the grounds of appeal of assessee for statistical purposes.

6. In the result, the assessee's appeal is allowed for statistical purposes.

Pronounced in the open court on the date mentioned on the caption page.

Sd/-

**(A.K. GARODIA)**  
**ACCOUNTANT MEMBER**

Sd/-

**(PAVAN KUMAR GADALE)**  
**JUDICIAL MEMBER**

Dated: 19.02.2020.

\*Reddy GP

Copy to

1. The appellant
2. The Respondent
3. CIT (A)
4. Pr. CIT
5. DR, ITAT, Bangalore.
6. Guard File

By order

Assistant Registrar  
Income-tax Appellate Tribunal  
Bangalore