

आयकर अपीलिय अधिकरण, “बी” न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL ‘B’ BENCH, CHENNAI
श्री धुव्वुरु आर.एल रेड्डी, न्यायिक सदस्य एवं श्री एस जयरामन, लेखा सदस्य के समक्ष
Before Shri Duvvuru RL Reddy, Judicial Member &
Shri S. Jayaraman, Accountant Member

आयकर अपील सं./I.T.A. Nos.2221 & 2222/Chny/2018
निर्धारण वर्ष/Assessment Years:2013-14 & 2014-15

Dr. V. Anand (HUF),
No. 10, Subramaniam Layout,
Behind Cake Point, Ramanathapuram,
Coimbatore 641 045.
[PAN: AAAHV9133M]

The Deputy Commissioner of
Income Tax,
Non Corporate Circle 1,
Coimbatore.

(अपीलार्थी /Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri D. Anand, Advocate
प्रत्यर्थी की ओर से/Respondent by : Shri A. Sundararajan, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 10.03.2020
घोषणा की तारीख /Date of Pronouncement : 13.05.2020

आदेश /O R D E R

PER DUVVURUL RL REDDY, JUDICIAL MEMBER:

Both the appeals filed by the assessee are directed against separate orders of the Id. Commissioner of Income Tax (Appeals) 2, Coimbatore both dated 25.05.2018 relevant to the assessment years 2013-14 and 2014-15. The only effective ground raised in both the appeals of the assessee relates to confirmation of addition made under section 69C of the Income Tax Act, 1961 [“Act” in short].

2. Brief facts of the case are that the assessee filed the return of income for the assessment year 2013-14 on 30.09.2013 declaring total income of ₹.65,48,510/-. The return filed by the assessee was selected for scrutiny and against the statutory notices, the assessee furnished the details. On verification of the details filed by the assessee, the Assessing Officer completed the assessment under section 143(3) of the Act by assessing total income of the assessee at ₹.71,26,159/- after making disallowance of interest under section 14A of the Act at ₹.28,718/- and disallowance of agricultural income under section 69 of the Act at ₹.5,48,929/-. Similarly, for the assessment year 2014-15, the Assessing Officer made the disallowance under section 69C of the Act at ₹.2,40,059/-. On appeal, the Id. CIT(A) confirmed the addition for both the assessment years.

3. On being aggrieved, the assessee is in appeal before the Tribunal for both the assessment year. The Id. Counsel for the assessee has submitted that the assessee has earned the agricultural income out of coconut trees and mango trees, for which, there is no need to incur much expenditures. The Id. Counsel has vehemently argued that only for raising paddy and other crops, various agricultural operations are required to be carried out for which huge expenses could be incurred. When the assessee has used his own wells for irrigation and farm yard manure from his cattle shed, the estimated

expenditure made by the Assessing Officer is baseless and unwarranted and prayed for deleting the addition for both the assessment years. On the other hand, the Id. DR relied on the orders of authorities below.

4. We have heard both the sides, perused the materials available on record and gone through the orders of authorities below. The assessee has claimed gross agricultural income of ₹.36,52,925/- for the assessment year 2013-14 and ₹.36,69,665/- for the assessment year 3014-15 from 34.3 acres of land. In this case, the agricultural land holding of the assessee is not in dispute and moreover, the agricultural income earned by the assessee was from coconut trees and mango trees and not from raising paddy, etc. for which various agricultural operations are to be carried out. The Assessing Officer has not shown any basis for estimating percentage of expenditure for the income from coconut trees and mango trees. Without making any physical verification of the number trees of coconut and mango, usage of water for irrigation purposes, etc. the Assessing Officer was not justified in treating the agricultural income as excessive and proceed to make estimation. On similar views, the Id. CIT(A) has deleted similar addition made by the Assessing Officer for the assessment year 2013-14 in the case of assessee individual [Dr. V. Anand] vide order dated 30.09.2016. Over and above, once the assessee has not made any investment, the addition made under section 69C

of the Act is illegal as has been rightly observed by the Id. CIT(A) in the appellate order at para 5.2. Under these circumstances, the addition made by the Assessing Officer and confirmed by the Id. CIT(A) stands deleted for both the assessment years.

5. In the result, both the appeals filed by the assessee are allowed.

Order pronounced on the 13th May, 2020 at Chennai.

Sd/-
(S JAYARAMAN)
ACCOUNTANT MEMBER

Sd/-
(DUVVURUL RL REDDY)
JUDICIAL MEMBER

Chennai, Dated, the 13.05.2020

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to: 1. अपीलार्थी/Appellant, 2. प्रत्यर्थी/ Respondent, 3. आयकर आयुक्त (अपील)/CIT(A), 4. आयकर आयुक्त/CIT, 5. विभागीय प्रतिनिधि/DR & 6. गार्ड फाईल/GF.