

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” “A” BENCH: BANGALORE**

BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER

ITA No.504/Bang/2022
Assessment Year: 2017-18

Salunki Govindrao Sambhaji 11/A, Mathoshri, 3 rd Cross Kalyan Nagar 3 rd Cross, Kalyan Nagar Dharwad Karnataka 580 007 PAN NO : BJDPS1850D	Vs.	Deputy Commissioner of Income-tax CPC Bangalore
APPELLANT		RESPONDENT

Appellant by	:	Shri G. Sathyanarayana, A.R.
Respondent by	:	Shri Ganesh R. Ghale, Standing Counsel

Date of Hearing	:	18.08.2022
Date of Pronouncement	:	18.08.2022

O R D E R

PER CHANDRA POOJARI, ACCOUNTANT MEMBER:

This appeal by assessee is directed against order of NFAC, Delhi dated 22.12.2021 for the assessment year 2017-18. The assessee has raised the following grounds:-

- 1. Illegal order: The order passed by CPC is illegal, baseless and opposed to the facts of the case.*
- 2. Interest on enhanced compensation: The assessee received interest from compensation on land acquisition. The CPC has erred in making addition of entire income from interest on land acquisition. As per the provision of the Act, interest income is chargeable to tax after providing adhoc deduction u/s 57(iv) of the Act. 143*
- 3. (1) Any other grounds of appeal The assessee prays leave to add any other grounds of appeal before or at the time of hearing.*

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4. Interest on enhanced compensation: The interest received on enhanced compensation is also part of compensation and hence is exempt, as compensation is on acquisition of agricultural land.

2. Facts of the case are that during the processing of return of income u/s 143(1)(vi) of the Act made addition of Rs.6,55,116/- u/s 57(iv) of the Act being the interest from compensation on land acquisition and determine the total income at Rs.9,35,120/-. The assessee carried the appeal before Ld. CIT(A). The Ld. CIT(A) observed that the assessee filed a return of income for the assessment year 2017-18 u/s 139(1) of the Act on 25.1.2018 and again revised the return u/s 139(5) of the Act on 25.9.2018. The assessee declared income received in the nature of interest on land acquisition and claimed exemption u/s 10 of the Act. The return of income was processed and intimation u/s 143(1) of the Act was issued by DCIT (CPC) Bangalore. The CPC disallowed the deduction claimed by assessee u/s 57(iv) of the Act being income from interest on land acquisition. The assessee filed a rectification application u/s 154 of the Act, which is not yet been considered. However, the appeal was filed before Ld. CIT(A) with the delay of 21 months and stated that the delay was deemed to pending of petition filed by assessee u/s 154 of the Act for rectification of earlier intimation sent by the CPC. According to the Ld. CIT(A), NFAC, there was no reasonable cause for such inordinate delay. Hence, he unadmitted the appeal of the assessee. In my opinion, if the rectification petition filed by the assessee pending during that period of 21 months, it means that assessee has been pursuing the alternative remedy available to the assessee, so as to seek relief. Being so, the Ld. CIT(A) not justified in dismissing the appeal without admitting the same. Accordingly, I direct the Ld. CIT(A), NFAC to condone the delay if the petition filed by assessee u/s 154 of the Act was actually pending before the authorities during the period of delay of 21 months and decide

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accordingly. With this observation, I remit the issue to the file of Ld. CIT(A). At this time, I refrain from committing anything on merit of the issue raised by the assessee with regard to additions made by CPC.

3. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 18th Aug, 2022

Sd/-
(Chandra Poojari)
Accountant Member

Bangalore,
Dated 18th Aug, 2022.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.