

**THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'SMC', NEW DELHI**

**Before Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 1861/Del/2020 : Asstt. Year: 2014-15**

Shambhu Dayal, Vill.-Patla Jaukhauri, Tehsil Rai, Sonipat, Haryana-131001 (APPELLANT)	Vs	Income Tax Officer, Ward-4, Sonipat (RESPONDENT)
<b>PAN No. AYQPD3341P</b>		

**Assessee by : Sh. R. K. Vashisht, Adv.  
Revenue by : Sh. Om Parkash, Sr. DR**

<b>Date of Hearing: 15.05.2023</b>	<b>Date of Pronouncement: 20.06.2023</b>
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**ORDER**

The present appeal has been filed by assessee against the order of Id. CIT(A), Rohtak dated 09.09.2020.

2. Following grounds have been raised by the assessee:

*"1. That the Ld. CIT(A) and Ld. A. O. has erred in law and facts by discarding the deduction u/s 10(37) on amount of Rs.31,09,300/- received by the appellant on account of enhancement compensation u/s 28 through ADJ Court Sonipat after getting it he had filed his income tax return declaring his income of Rs.2,41,590/- by claiming deduction u/s 10(37) of Rs.31,09,300/- and received a refund of Rs.3,21,810/- on 07.11.2014 which is totally wrong and illegal and the order of CIT(A) and Ld. A.O. is liable to be discarded.*

*2. The Ld. CIT(A) and Ld. A.O. has erred in law and facts since the entire amount of enhanced compensation is receipt of capital nature and same was received him after acquisition of Agricultural land which is not a capital asset u/s 2(14). Hence, the addition on account of interest is liable to be deleted.*

3. That the Ld. CIT(A) and Ld. A.O has erred in law not appreciating the Written Submissions and Circular of Ministry of Rural Development Department of Land Resources bearing No.F No.24011/1/12009 LRD. Copy of the same has been attached.

4. That order of the CIT(A) is bad in law and in contradiction of the findings laid down by the Hon'ble Supreme Court since the similar appeals on the same grounds of the assessee's from the same village i.e. Jakhali Patla had been decided in favour of all the assessees but it is only case of the village Patla Jaukhali which has been decided against the appellant wherein neither facts nor laws or grounds of appeal has changed . Therefore, it is against the natural Justice and the same needs to be discarded.

5. That on facts and circumstances of the case, the Ld. CIT(A) was not justified in confirming addition to the extent of Rs. 15,54,650/- in respect of enhanced compensation 50% of total amount of Rs.15,54,650/- which is accretion in the value of consideration as per clearly stated by Supreme Court. The Honourable Supreme Court in the case of Ghanshyam (Supra) and Hari Singh (supra) had given its findings in the of favour farmers.

6. That the Ld. A.O. as well as Ld. CIT (A) has erred in law and facts in understating the nature of receipts of interest which is a capital receipt not a revenue receipt and discarded the submissions made before the CIT(A).

7. That the orders passed by lower authorities are not justified on facts and are bad in law and erred in law, for grounds of appeal of some of the appellants were accepted and some of the appellants were rejected which is totally illegal and vague.

8. That the Order of Ld. CIT (A) and Ld. A.O. is totally illegal and was passed in hurry without any proper justification and finding in the orders. The Hon'ble Supreme Court has decided in a lot of cases but the Hon'ble CIT (A) discarded the findings of

*Supreme Court and decided the case against the appellant which is totally wrong.”*

3. The issue of treatment of amount received u/s 28 of Land Acquisition Act, 1894 in case of compulsory acquisition of agricultural land was in the nature of interest income or part of enhanced compensation stands decided by the orders of the Tribunal in the case of Sh. Pranav Sharan in ITA No. 499/Del/2021, Ashwani Kumar in ITA No. 5074/Del/2012, Umang Sitani in ITA No. 3843/De/2018 **wherein it was held that the interest received u/s 28 is treated as part of compensation and hence not taxable.** In the absence of any change in the judicial pronouncements, the appeal of the assessee is hereby allowed.

4. In the result, the appeal of the assessee is allowed.  
Order Pronounced in the Open Court on 20/06/2023.

Sd/-  
**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**Dated: 20/06/2023**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR**