

IN THE INCOME TAX APPELLATE TRIBUNAL
PANAJI BENCH, PANAJI
(AT e-Court, PUNE)

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND
SHRI S.S.VISWANETHRA RAVI, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.37/PAN/2022

निर्धारण वर्ष / Assessment Year : 2017-18

Surendra Bharat Chaugale, Patil Galli, Khadaklat, Chikodi, Karnataka – 591 228 PAN : ALIPB7444A	Vs.	The Pr. CIT, Hubli
Appellant		Respondent

Assessee by Shri Pramod Vaidhya
Revenue by Shri P.S. Shivshankar

Date of hearing 11-09-2023
Date of pronouncement 13-09-2023

आदेश / ORDER

PER R.S.SYAL, VP :

This appeal by the assessee arises out of the order dated 26-03-2022 passed by the Pr.CIT, Hubli u/s.263 of the Income-tax Act, 1961 (hereinafter also called 'the Act') in relation to the assessment year 2017-18.

2. Briefly stated, the facts of the case are that the assessee is an agriculturist who filed his return declaring total income at Rs.2,90,190/-. Such income was in respect of interest. The assessee had shown gross agricultural receipts of Rs.48,57,345/- and expenses of Rs.6,93,000/-. The AO observed that the agricultural

expenses were only 14.26%, which should have been at 35%. On being show caused, the assessee furnished explanation as to how he incurred lower expenses. The AO got satisfied and did not make any addition on this score. Thereafter, the Id. Pr.CIT exercising revisionary power u/s.263 held that the assessee claimed expenses at a lower level against the agricultural receipts and consequently earned undisclosed income. He set-aside the assessment order and directed the AO to frame the assessment afresh. Aggrieved thereby, the assessee has come up in appeal before the Tribunal.

3. After considering the rival submissions and perusing the relevant material on record, it is seen that the assessee is an agriculturist and has no business income. The only other minor income is in respect of bank interest. The Id. Pr.CIT has made out a case that the assessee declared lower expenses so as to enhance the amount of agricultural income. When the view so canvassed is seen in the backdrop of the fact that the assessee, an agriculturist, was having only agricultural income and no business income, such a presumption of depressing agricultural expenses and earning undisclosed income cannot meet with our concurrence.

4. Notwithstanding the above, the assessee made detailed submissions before the AO justifying the incurring of expenses at 14.26% by stating that both he and his wife were working in the

fields personally, having 5 buffalows and 2 cows etc. and certain other things which saved the cost of agricultural spending. The Id. Pr.CIT has not controverted any of the submissions made by the assessee before the AO. Thus, it cannot be said that the AO adopted a legally and factually unsustainable view, which could have been subjected to revisionary proceedings. We order accordingly and set-aside the impugned order.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 13th September, 2023.

Sd/-
(S.S.VISWANETHRA RAVI)
JUDICIAL MEMBER

Sd/-
(R.S.SYAL)
VICE PRESIDENT

पुणे Pune; दिनांक Dated : 13th September, 2023
सतीश

आदेश की प्रतिलिपि □ प्रेषित/Copy of the Order is forwarded to:

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The respondent
3. The CIT concerned
4. DR, ITAT, Panaji Bench, Panaji
5. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	11-09-2023	Sr.PS
2.	Draft placed before author	12-09-2023	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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