

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'A': NEW DELHI  
BEFORE,  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER**

**ITA No.5819/Del/2017  
(ASSESSMENT YEAR 2013-14)**

Braham Prakash VPO-Naharpur Kasan Dist. Gurgaon Haryana-122 004 PAN-AYEPP 3659A <b>(Appellant)</b>	Vs.	Income Tax Officer Ward-1(3), Gurgaon     <b>(Respondent)</b>
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Assessee by	None
Department by	Sh. Kanv Bali, Sr. DR
Date of Hearing	25/07/2023
Date of Pronouncement	20/10/2023

**ORDER**

**PER M. BALAGANESH AM:**

This appeal of the Assessee arises out of the order of the Learned Commissioner of Income Tax (Appeals)-1, Gurgaon, [hereinafter referred to as 'Ld. CIT(A)'] in Appeal No.156/2016-17 dated 26/04/2017 against the order passed by Income Tax Officer, Ward-1(3), Gurgaon (hereinafter referred to as the 'Ld. AO') u/s 143(3) of the Income Tax Act (hereinafter referred to as 'the Act') on 18/12/2015 for the Assessment Year 2013-14.

2. None appeared on behalf of the assessee right from the date of first hearing of this appeal starting from 08/02/2021 onwards. Notices has been issued by the Registry on several occasions in the address mentioned in Form No.36 and there is no response from the side of the assessee. Since, sufficient opportunities have been given to the assessee in this appeal and assessee does not seem to be bothered to prosecute this appeal, we proceed to dispose of this appeal on hearing the Ld. DR and based on materials available on record.

3. Though, the assessee has raised several grounds before us, the only effective issue to be decided in this appeal is as to whether the interest received by the assessee u/s 28 of Land Acquisition Act, 1894 on enhanced compensation would be brought to tax in the facts and circumstances of the case.

4. We have heard the Ld. DR and perused the materials available on record. The assessee is an individual deriving income from interest from bank and interest income on enhanced compensation/compensation from DRO Cum LAC, Gurgaon. The return of income for AY 2013-14 was filed by the assessee on 20/08/2014 declaring total income of Rs.14,02,820/-. The Ld. AO

on perusal of the bank statement and various details furnished by the assessee observed that assessee had received interest of Rs.1,40,88,470/- during the year from DRO Cum LAC, Gurgaon. The Ld. AO observed that agricultural land belonging to the assessee was acquired by the Govt. and compensation has been paid to the assessee for the same. There was some enhanced compensation also which was paid to the assessee with delay. For the said delay, the assessee was paid interest. The question before us is that whether the interest on enhanced compensation received by the assessee could be brought to tax in the hands of the assessee. The Ld. AO applied the provisions of section 56 (2) (viii), which was introduced by Finance (No.2) Act, 2009 w.e.f 01/04/2010 wherein interest received on enhanced compensation was sought to be treated as income from other sources. The AO, however, very fairly applied the provisions of section 57 (iv) also by granting *ad hoc* deduction to the extent of 50% of income. Accordingly, the Ld. AO added 50% of interest received on enhanced compensation amounting to Rs.70,44,235/- (1,40,88,470/- x 50%) as income from other sources and completed the assessment. The Ld. CIT(A) considered the provisions of the Act ; considering the

provisions of section 28 of Land Acquisition Act, 1894 and also the decision of Hon'ble Punjab & Haryana High Court which is the Jurisdictional High Court for the assessee in the case of *Manjeet Singh (HUF) Karta Mangeet Singh V/s Union of India reported in 237 Taxmann 116* and held that the said interest received u/s 28 of Land Acquisition Act would be taxable as income from other sources in the hands of the assessee. The Ld. CIT(A) also observed that the Special Leave Petition filed by the assessee before the Hon'ble Supreme Court had been dismissed vide Special Leave to appeal *C No.34642 of 2014 dated 18/12/2014*. The Ld. CIT(A) also placed reliance on yet another Jurisdictional High Court decision in the case of *Jagmal Singh and Ors. vs. State of Haryana & Anr., in CR No.7740/2012 dated 02/02/2016* and in the case of *Sunderlal and Anr. vs. Union of India in CWP No.2014 of 2015 dated 21/09/2015* and confirmed the action of the Ld. AO.

5. We find that the Ld. CIT(A) had followed the decisions of Hon'ble Jurisdictional High Court and denied the benefit to the assessee. Moreover, the provisions of the Act in terms of section 56(2)(viii) r.w.s 57(iv) of the Act are also very clear and against the assessee. Hence, we do not find any infirmity in the order passed by

the Ld. CIT(A) denying relief to the assessee. Accordingly, the grounds raised by the assessee are dismissed.

6. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 20<sup>th</sup> October, 2023.

Sd/-  
**(ANUBHAV SHARMA)**  
**JUDICIAL MEMBER**

Sd/-  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated: 20/10/2023

*Pk/sps*

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT, NEW DELHI