

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

BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER

ITA No.1394/Bang/2024
Assessment year : 2017-18

Praveen Halagappa Mariyappa (HUF), C/o. M/s. Halagappa Arecanut Co., APMC Yard, Shivamogga – 577 204. PAN : AALHP 6109G	Vs.	The Income Tax Officer, Ward 1 & TPS, Shivamogga.
APPELLANT		RESPONDENT

Appellant by	:	Ms. Shree Raksha, Advocate
Respondent by	:	Shri Subramanian S., Jt.CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	05.09.2024
Date of Pronouncement	:	10.09.2024

ORDER

Per Laxmi Prasad Sahu, Accountant Member

This appeal is filed by the assessee against the order dated 29.05.2024 of the CIT(Appeals), National Faceless Appeal Centre, Delhi [NFAC], for the AY 2017-18.

2. Briefly stated the facts of the case are that the assessee filed return of income on 20.3.2018 admitting income of Rs.24,37,180 and agricultural income of Rs.65,59,322. The case was selected for scrutiny to verify large agricultural income. The assessee was asked to

justify expenditure of agricultural operations, extent of land with supporting evidence, details of crops grown, gross agricultural income, bills, etc. In response the assessee filed reply on 17.5.2019 which is reproduced by the AO in his order. After verification of the reply, a proposal was sent to assessee vide letter dated 15.8.2019 proposing to bring to tax Rs.2,39,54,128 under the head income from other sources. The assessee objected and submitted that the assessee tried to revise the return of income, but due to technical glitches, could not revise the return of income. Therefore he sought for rectification. He submitted that the computation of agricultural income of Rs.2,96,31,385 after deducting expenditure of Rs.27,44,100. The AO did not accept the submissions of the assessee and noted that assessee should have filed revised return of income within the due date as specified under the Act and relying on the judgment of Hon'ble Apex Court in the case of *Goetze India Ltd. v. CIT* addition of Rs.2,39,54,128 treating it as income from other sources and total income declared in the return of income was accepted by the AO. Aggrieved from the above order, the assessee filed appeal before the First Appellate Authority (FAA). The Id. FAA dismissed the appeal of the assessee. Aggrieved, the assessee is in appeal before the ITAT.

3. The Id. AR reiterated the submissions made before the lower authorities and submitted that the Id. FAA has not given proper opportunity of hearing to the assessee before passing the order and the order passed by the Id. FAA is very cryptic. He has not given detailed reasons for not accepting the ground raised by the assessee. The

computation of agricultural income disclosed by the assessee of Rs.2,96,31,385 has not been disregarded. The agricultural income shown in the return of income is Rs.65,59,322 has been accepted. Therefore rest amount cannot be treated as income from other sources. The AO has denied to treat the difference amount as agricultural income only because of some technical glitches. The assessee tried to revise the return when he came to know that there is a mistake in the return of income to which the AO has not accepted and the Id. FAA has also not accepted the prayer of the assessee. Accordingly he requested that the matter may be sent back to the Id. FAA for fresh adjudication.

4. The Id. DR relied on the order of lower authorities and submitted that both the authorities below have given various opportunities to the assessee and accordingly they have decided the appeal.

5. Considering the rival submissions, we note that agricultural income received by the assessee is Rs.3,23,75,485 and after reducing agricultural expenses of Rs.27,44,100, the assessee has shown agricultural income of Rs.2,96,31,385 in his submission before the AO and he has accepted that there is a mistake in the return and agricultural income was shown of Rs.65,59,322 only. For non-revising the return, the assessee has given the reason before the AO which has not been accepted. We have also gone through the order of the Id. FAA and the order is not a speaking order, just he endorsed the AO's order discussed in para 3.10 of the assessment order. Therefore considering

the entire facts, the prayer of the assessee and in the interest of justice, we remit the matter back to the CIT(Appeals) for fresh consideration and decision as per law. The assessee is directed to file necessary documents that would be essential and required for substantiating his case and for proper adjudication by the revenue authorities. Needless to say that reasonable opportunity of being heard be given to the assessee. The assessee is directed to cooperate with the proceedings for early disposal of the case.

6. In the result, the appeal by the assessee is allowed for statistical purposes.

Pronounced in the open court on this 10th day of September, 2024.

Sd/-

(SOUNДАРARAJAN K.)
JUDICIAL MEMBER

Sd/-

(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Bangalore,

Dated, the 10th September, 2024.

/Desai S Murthy/

Copy to:

1. Appellant
2. Respondent
3. Pr.CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.