

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH, COCHIN**

Before Shri Satbeer Singh Godara, Judicial Member and  
Shri Amarjit Singh, Accountant Member

**ITA No. 673/Coch/2023**  
(Assessment Year: 2015-16)

Parammal Kadeeja Poolakkodan House Randathani P.O. Malappuram 676510 [PAN: AJPk2223K] (Appellant)	vs.	The Income Tax Officer Ward (1), Tirur (Respondent)
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Appellant by:	----- None -----
Respondent by:	Smt. V. Swarnalatha, Sr. D.R.

Date of Hearing:	22.08.2024
Date of Pronouncement:	23.10.2024

**ORDER**

**Per Bench**

This assessee's appeal for A.Y. 2015-16 arises against the National Faceless Appeal Centre, Delhi [CIT(A)]'s DIN & Order No. ITBA/NFAC/S/250/2023-24/1054703256(1) dated 28.07.2023 in proceedings u/s. 250 of the Income Tax Act, 1961 (the Act).

Case called twice. None appears at assessee's behest. We accordingly proceed exparte.

2. The assessee pleads the following substantive grounds in the instant appeal: -

*"1. The appellate order No. ITBA/NFAC/S/250/2023-24/1054703256(1) dated 28.07.2023 of the learned CIT(As) is opposed to law facts and circumstances of the case.*

2. *The learned CIT(As) has failed to note the fact that the enhanced compensation and interest for the 1st year at 9% and 15% for the period subsequent to that, forms part of the compensation which is totally exempt from tax since the land acquired is agricultural in nature.*
3. *The Id. CIT(A) has gone wrong in bifurcating compensation and enhanced compensation as also interest u/s 28 of the LA Act 1894 thereon into taxable and non-taxable under the Income tax Act.*
4. *The Id. CIT(A) should have found that where compensation itself is exempt subsequent receipts consequent thereto is also exempt under the IT Act.*
5. *The Id. CIT(A) has failed to appreciate the fact that the compensation awarded by the Court and subsequent order of the Collector granting interest u/ 28 at 9% for one year and at 15% for the subsequent payment are exempt from payment of Income Tax as the compensation itself is exempt from Income tax.*
6. *For these and such other grounds that may be urged at the time of hearing the entire addition may be deleted.”*

3. Suffice to say, the sole issue for adjudication in the given facts and circumstances of the case is that of taxability of assessee's interest income u/s. 28 of the Land Acquisition Act, 1894 where the lower authorities have quoted section 56(2)(viii) r.w.s. 57(vi) r.w.s. 144(b) of the Act that the issue is no more res integra post facto the statutory amendments in the foregoing terms.

4. Learned Sr. D.R. further quotes hon'ble Delhi high court's decision in PCIT vs. Inderjit Singh Sodhi (HUF) [2024] 161 taxmann.com 301 (Del.) that the Revenue has succeeded before their lordships.

5. We find in this backdrop that case law Rupesh Rashmikant Shah vs. Union of India [2019] 417 ITR 169 (Bom.); Movaliya Bhikhubhai Balabhai vs. ITO [2016] 388 ITR 343 (Guj.) have decided the very issue of taxability of such an income in assessee's favour and against the department *qua* such interest income. That being the case wherein various high courts have taken divergent views and that no guidance coming from the hon'ble jurisdictional high court, we quote CIT vs. Vegetable

Products Ltd., [1973] 88 ITR 192 (SC) that the view favouring the taxpayer has to be taken in such an instance. Ordered accordingly.

6. This assessee's appeal is allowed.

Order pronounced in the open court on 23<sup>rd</sup> October, 2024 under Rule 34 of The Income Tax (Appellate Tribunal) Rules, 1963.

Sd/-  
(Amarjit Singh)  
Accountant Member

Sd/-  
(Satbeer Singh Godara)  
Judicial Member

Cochin, Dated: 23<sup>rd</sup> October, 2024

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar  
ITAT, Cochin