



IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, AM.

&

DINESH MOHAN SINHA, JM

आयकरअपीलसं./ITA No.685/RJT/2024

निर्धारणवर्ष / Assessment Year: (2016-17)

(Hybrid Hearing)

Hasmukhbhai Bachubhai Bariya, B M & Co, Old Vegetable Market, Surendranagar - 363001	Vs.	DCIT Circle -4(1) (1), Aaykar Bhavan, Vejalpur, Ahmedabad - 380015
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: ANSPB1144R		
(Appellant)		(Respondent)

Appellant by : Rachna Khandhar, Ld. AR
Respondent by : Shri Abhimanyu Singh Yadav Ld. SR. DR
Date of Hearing : 05 / 05 /2025
Date of Pronouncement : 14 / 07 /2025

आदेश / ORDER

PER DINESH MOHAN SINHA JM;

Captioned appeal filed by assessee pertaining to Assessment Year 2016-17 penalty, is directed against order passed by Commissioner of Income Tax (Appeal), vide order dated 30/01/2024, which in turn arises out of an order passed by the Assessing Officer dated 10/12/2018 u/s 143(3) of the Income Tax Act, 1961.



2. GROUNDS OF APPEALS:-

- 1) *The Ld. CIT(A), NFAC, Delhi erred in passing the order u/s 250 of IT Act, 1961 by way of rejecting the appeal of the appellant.*
- 2) *The Ld. CIT(A), NFAC, Delhi erred in confirming the addition of Rs. 56,19,932/- u/s 57 of IT Act, 1961*

3. Facts of the Case

The assessee is a vegetable merchant and during the year under consideration the assessee has shown business income and interest income from bank and other sources. Besides this during the year the assessee has received interest on compulsory acquisition of rural agricultural land by Sardar Sarovar Narmada Nigam Limited in Land the interest received was divided among 12 legal heirs including the assessee there is no legal heir, in fact the assessee is the sole owner of the land.

The assessee has e-filed his return of income on 26/05/2016 declaring total income of Rs. 16,24,070/-. Notice u/s. 143(2) of the Act was issued on 26/07/2017 and the same was served upon the assessee.

In response to the notices u/s 143(2) and 142(1) of the act assessee filed required details on e-filing portal. Same are verified and kept on record. Assessee produced required details for verification which were verified during the course of assessment proceedings.

The case was selected under CASS for limited scrutiny on issue of **[1] Large deduction claimed u/s 57 of the Act.**

In view of the above facts as narrated above, the assessee was asked to show cause as to why not interest received from Sardar Sarovar Narmada Nigam Ltd. is taken at Rs. 1,28,29,226/- and expenses claimed of Rs. 1, 12,39,857/- as against the above interest income is



to be disallowed U/s 57 of the I.T. Act. The taxable income determined, by AO is as under:

Total Interest from Sardar Sarovar:	1,28,29,226/-
Less: Deduction as per Section 57(iv) @50% :	64,14,613/-
Total Interest Income from SSNNL:	64,14,613/-

4. That the assessee filed an appeal against the order of assessment before Ld. CIT(A) dated on 10/12/2018

That the Ld. CIT(A) has issued six notices but there was no compliance to the notice. Hence, the CIT(A) has dismissed the appeal of the assessee.

5. That the assessee filed an appeal against the impugned order dated 30/01/2024 before this Tribunal.

i). The Ld. AR. of the assessee has submitted due to one reason all due the reason. The assessee could not file the replay to the notice issued by the Ld. CIT(A). The Ld. AR requested for one more opportunity to submit the response before the Ld. CIT(A).

ii). On the contrary the Ld. DR. has relied on the order of the lower authority.

6. We have heard both the parties and perused the material available on record. It is noted that the Ld. CIT(A) has issued six notices on different dates to furnish submission in this case but the assessee could not submit response in replay to notice. We find that the assessee was negligent in pursuing the case before Ld. CIT(A). therefore we impose a cost of Rs. 2000/- on the assessee for the negligent action and the cost should be paid



to the Prime Minister Relief fund (Government of India), the receipt is to be submitted with the Registrar of this Tribunal. Keeping in view, in the interest of justice, that due opportunity be given to the assessee to produced/submit the relevant documents before the Lower Authority. Therefore, we are of the view that one more opportunity should be given to the assessee to present this case before the Ld. CIT(A). We remand the matter back to the file of the Ld. CIT(A) for fresh adjudication on merits. after giving due to opportunity to the assessee of being heard. We further direct to assessee to submit relevant details document, evidence if any in support of the case before the Ld. CIT(A).

7. In result the appeal of the assessee allowed for statical purpose.

Order pronounced in the open court on 14/ 07 /2025.

Sd/-

**(Dr. A.L. SAINI)
ACCOUNT MEMBER**

Sd/-

**(DINESH MOHAN SINHA)
JUDICAL MEMBER**

Rajkot

दिनांक/ Date: 14 / 07/2025

Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot