

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं सुश्री पदमावती यस, लेखक सदस्य के समक्ष  
BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND  
MS. PADMAVATHY.S, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.3190/Chny/2025  
&  
S.A No.124/Chny/2025  
निर्धारण वर्ष /Assessment Year: 2018-19

Chinnakkannu Sundhar,  
Peruncherry,  
Panchetty, Ponneri-600 052.  
PAN: EYRPS 6145H

The Income Tax Officer,  
Vs. Non Corporate Ward-10(3),  
Chennai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Ms. S. Deepika, Advocate  
प्रत्यर्थी की ओर से /Respondent by : Ms. Babitha, JCIT

सुनवाई की तारीख/Date of Hearing : 12.12.2025  
घोषणा की तारीख /Date of Pronouncement : 17.12.2025

**आदेश / ORDER**

**PER PADMAVATHY.S, A.M:**

This appeal and the stay application by the assessee is against the order of Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi, (in short "CIT(A)") passed u/s. 250 of the Income Tax Act, 1961 ( in short "the Act") dated 21.03.2025 for Assessment Year (AY) 2018-19. The grounds of appeal raised by the assessee are as under;

*"1. The Order of the Commissioner of Appeals, in dismissing the Appeals against the provisions of the law and contrary to the facts and circumstances of the case.*

*2. The Commissioner of Income Tax Appeals ought to have allowed the appeal in entirety.*

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3. *The Commissioner of Appeals is not correct in dismissing the Appellant's grounds.*

4. *The Commissioner of Income Tax Appeals is not correct in confirming the ITO's Order. The Commissioner of Income Tax only discussed about the non-response and delays caused by the Appellant, the CIT, did not go into the merits of the case that is the subject property was an agricultural land. The parent document shows it as Agricultural land and in the schedule it was mentioned as Nanja and Punja.*

5. *The CIT (Appeals) failed to appreciate the fact that the same land sold by the brother of this Appellant has been considered as Agricultural land exemption was given under Section 2(14) (iii) of the act and the issue was closed.*

6. *The Commissioner of Income Tax Appeals should have found that AO is not correct to pass an order without giving proper opportunity the Appellant, in explaining the AO.*

7. *Also the Respondent as well the CIT (Appeals) did not appreciate the fact that the sale consideration was immediately invested in the purchase of agricultural lands in the name of the wives of this Appellant and his brother.*

8. *The ITO ought to have conducted an elaborated enquiry with respect of the expenditure incurred on the purchase of agricultural lands, its incidental expenses such as Stamp duty, Registration charges, lawyer and brokerage commissions and toward the cost incurred in mutation of EB Records and revenue records. Also the joint family has been carrying on the agricultural activities in the said land. Various agricultural products and machinery were purchased for the agriactivities from and out of the sale consideration.*

9. *The Appellant seeks to add, amend, or delete any ground at the time of final hearing of the Appeal.*

10. *For these and any other reasons that may be stated at the time of hearing it is prayed that the Order of the Commissioner of Income Tax Appeals be set aside and the contentions of the Appellants accepted."*

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2. There is a delay of 163 days in filing the appeal by the assessee. The assessee has filed condonation petition/affidavit stating the reasons for delay in filing the appeal. Having heard both the parties and perused the material on record, we are of the view that there is a reasonable and sufficient cause for the delay in filing the appeal before the Tribunal. Therefore following the Hon'ble Supreme Court decision in the case of *Collector, Land Acquisition Vs. MST.Katiji & Ors., (167 ITR 471) (SC)*, we condone the delay of 163 days in filing the appeal and admit the appeal for adjudication.

3. The assessee is an individual and is working as casual labour in TNEB deriving a salary income of Rs. 1,85,020/-. The assessee was deriving income mainly from agriculture jointly owned with family members from lands located in Peruncheri Village, Ponneri, Tiruvallur. Since the assessee's income is below the taxable limit, the assessee did not file the return of income. The A.O received information that during the year under consideration, the assessee has sold immovable property for a consideration of Rs. 80,00,000/- and since the assessee did not file the return of income, the A.O reopened the assessment by issue of notice u/s. 148 of the Act. The assessee in response, filed the return of income on 21.03.2023 admitting total income of Rs. 2,07,510/- and agricultural income of Rs.90,000/-. The assessee submitted before the A.O that the immovable property sold is an agricultural land and the entire proceeds are reinvested towards purchase of agricultural land. The assessee further submitted that the consideration is his share of the total consideration of Rs.1,60,00,000/- and since the land is agricultural land it does not fall within purview of capital asset. The A.O called on the assessee to furnish the documentary evidences with regard to the claim and since the assessee did not respond to the notices treated the entire

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sale consideration as income in the hands of the assessee. The CIT(A) passed an *ex-parte* order dismissing the appeal on the ground that the assessee failed to respond to the notices and did not file any additional details. The assessee is in appeal before the Tribunal against the order of CIT(A).

4. The Ld. Authorized Representative (AR) submitted that the assessee along with his brother inherited certain agricultural land from his father. The Ld. AR further submitted that the assessee and his family are engaged in agricultural activities and the impugned land has been used for agricultural purpose. The Ld. AR submitted that the assessment in the case of the other co-owner of the impugned land Mr. Chinnakannu Venkadesan was completed u/s. 147 vide order dated 24.03.2023 where the same land has been accepted by the A.O as agricultural land based on various documentary evidences. Accordingly, the Ld. AR argues that the addition made in the hand of the assessee is not sustainable.

5. The Ld. DR, on the other hand, submitted that the assessee has not substantiated the claim with regard to the land being agriculture in nature with any documentary evidences before the lower authorities. Accordingly, the Ld. DR supported the orders of the lower authorities.

6. We have heard the parties and perused the materials available on record. The assessee along with Mr. Chinnakannu Venkadesan has sold certain land vide sale deed dated 06.07.2017 for a consideration of Rs.1,60,00,000/-. From the perusal of the sale deed, we notice that the impugned land is acquired by the assessee and Mr. Chinnakannu Venkadesan vide settlement deed dated 10.03.2004. It is the contention of the assessee

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that the impugned land is an agricultural land and therefore the sale of the said land does not result in any capital gains in the hands of the assessee. In this regard, we notice that in the case of Mr. Chinnakannu Venkadesan, the assessment has been initiated for the same reasons as that of the assessee stating that immovable property for a consideration of Rs. 80,00,000/- has been sold during the AY 2018-19. We further notice that the A.O while completing the assessment u/s. 147 of the Act in the case of Mr. Chinnakannu Venkadesan has considered the details submitted and has accepted the submission that the impugned land is an agricultural land not falling within the definition of capital asset u/s. 2(14) of the Act. On perusal of the orders of lower authorities, we notice that the main reason for making the addition is that the assessee has not furnished the relevant documentary evidences to prove the nature of land i.e., the land sold is an agricultural land. We are of the considered view that the issue of whether the impugned land would fall within the definition of agriculture land required factual verification with proper documentary evidences. Therefore, we are remitting the appeal back to the A.O with a direction to call for necessary details in support of the claim of the assessee and decide the case on merits in accordance with law. The A.O is further directed to keep in mind that reassessment order dated 24.03.2023 passed in the case of the other co-owner of the impugned land Mr. Chinnakannu Venkadesan while considering the assessee's case. The assessee is directed to furnish the required details and documentary evidenced as may be called for and co-operate with the assessment proceedings without seeking unnecessary adjournments. It is ordered accordingly.

7. Since, we have allowed remitted the impugned issue back to the AO and allowed the appeal for statistical purposes, the stay application filed by

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the assessee has become infructuous. Accordingly the same is dismissed as infructuous.

8. In the result, the appeal of the assessee is allowed for statistical purposes and the Stay application is dismissed as infructuous.

*Order pronounced on 17<sup>th</sup> day of December, 2025 at Chennai.*

Sd/-  
(एबी टी. वर्की)  
(ABY. T. Varkey)

**न्यायिक सदस्य / Judicial Member**

Sd/-  
(पदमावती यस)  
(Padmavathy.S)

**लेखा सदस्य / Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 17<sup>th</sup> December, 2025.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF