

**आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम**

**IN THE INCOME TAX APPELLATE TRIBUNAL  
VISA KHAPATNAM "DIVISION" BENCH, VISA KHAPATNAM**

**(HYBRID HEARING)**

**श्री रवीश सूद , न्यायिक सदस्य एवं श्री एस बालाकृष्णन, लेखा सदस्य के समक्ष  
BEFORE SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**

**&**

**SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER**

**आयकर अपीलसं./I.T.A.No.556/VIZ/2025  
(निर्धारणवर्ष/ Assessment Year:2018-19)**

<b>Nemani Veera Venkata Satyanarayana</b> Lakshmi Broiler Farm Vemula Valasa, Anandapuram Mandal Visakhapatnam - 531162  [PAN: ABXPN2679L]	<b>Vs.</b>	<b>The Income Tax Officer</b> <b>Ward – 2(5)</b> Income Tax Office Infinity Tower Shankaramatham Road Santhipuram Visakhapatnam – 530016
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri GVN Hari, Advocate
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Dr. Aparna Villuri, Sr.AR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	19.11.2025
घोषणा की तारीख/Date of Pronouncement	:	05.12.2025

**आदेश /O R D E R**

**PER SHRI S. BALAKRISHNAN, ACCOUNTANT MEMBER:**

1. This appeal is filed by the assessee against the order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [in short "Ld. CIT(A)"] vide DIN & Order

No.ITBA/NFAC/S/250/2025-26/1078566063(1) dated 16.07.2025 for the A.Y.2018-19 arising out of order passed under section 143(3) of Income Tax Act, 1961 (in short 'Act') dated 04.08.2020.

2. Brief facts of the case are that, assessee case was selected for limited scrutiny on the issue of examining "Expenditure of Personal Nature". Thereafter notice under section 143(2) of the Act and 142(1) of the Act was issued and served on the assessee on various dates through e-filing portal. On perusal of the information provided by the assessee, the Ld. Assessing Officer [hereinafter in short "Ld. AO"] made an addition of Rs.72,98,630/- as assessed under section 143(1)(a) of the Act.

3. On being aggrieved by the order of the Ld. AO, assessee filed an appeal before the Ld. CIT(A). Ld. CIT(A) observed that the assessee has not filed the appeal against the intimation passed under section 143(1) of the Act but has filed against the order passed under section 143(3) of the Act. Ld. CIT(A) observed that decision made by the Ld. AO is as per the income assessed under section 143(1) of the Act and held that assessee ought to have filed the appeal against order passed under section 143(1) of the Act and not against order passed under section 143(3) of the Act. He therefore dismissed the appeal of the assessee.

**4.** On being aggrieved by the order of the Ld. CIT(A), assessee is in appeal before us by raising following grounds of appeal: -

*“1. The order of Learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.*

*2. The learned Commissioner of Income Tax (Appeals) is not justified in refusing to adjudicate the issue of addition of the compensation amount received from the Government towards compulsory acquisition of agricultural land on the ground that the addition was made in the Intimation u/s 143(1) and not in the assessment order against which the appeal was filed.*

*3. The learned Commissioner of Income Tax (Appeals) ought to have directed the assessing officer to allow the exemption in respect of the compensation of Rs.65,24,240 received towards compulsory acquisition of agricultural land.*

*4. Any other ground that may be urged at the time of appeal hearing.”*

**5.** The only contention of the assessee is the Revenue Authorities has made the addition under section 143(1) of the Act whereas during the scrutiny assessment proceedings the Ld. AO has confirmed the addition made by CPC under section 143(1) of the Act.

**6.** At the outset, Ld. Authorised Representative [hereinafter “Ld.AR”] submitted that the demand has been raised once based on the intimation under section 143(1) of the Act for Rs.26 lakhs and also against the order passed under section 143(3) of the Act by raising a demand for an amount of Rs.29 lakhs. He further submitted that the Ld. CIT(A) has not adjudicated the issue on addition of the compensation amount received from the government towards compulsory

acquisition of agricultural land. The Ld. CIT(A) erred in upholding the order of the Ld. AO based on the scrutiny assessment. He therefore pleaded that the issue may be remitted back to the file of the Ld. CIT(A) for adjudication of the issue on merits.

7. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] submitted that the scrutiny assessment under section 143(3) passed by the Ld. AO subsumes the addition made under section 143(1) and hence there are not two additions for the same income. He therefore pleaded that the order of the Revenue Authorities be upheld.

8. We have heard both the sides and perused the material available on record. It is an undisputed fact that Ld. AO while framing the assessment has made the addition as follows: -

Total income as per Income Tax return	Rs.7,74,390/-
Assessed Income as 143(1a) of the Act	Rs.72,98,630/-
Addition under section 143(3) of the Act	NIL

9. The only grievance of the assessee is that the demand is outstanding as per section 143(1a) of the Act and also as per the scrutiny assessment order passed under section 143(3) of the Act. Further, there is merit in the argument of the Ld.AR that the Ld. CIT(A) has failed to adjudicate the case on merits.

Considering the evidences provided by the assessee with respect to the compensation received towards compulsory acquisition of agricultural lands, we direct the Ld. CIT(A) to adjudicate the issue with respect to compensation received by the assessee after examining the supporting evidences and therefore remit the matter back to the file of Ld.CIT(A). Thus, the grounds raised by the assessee are allowed for statistical purposes.

10. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 05<sup>th</sup> December, 2025.

Sd/-  
(रवीश सूद)  
(RAVISH SOOD)

न्यायिक सदस्य/JUDICIAL MEMBER

Dated:05.12.2025  
Giridhar, Sr.PS

Sd/-  
(एस बालाकृष्णन)  
(S. BALAKRISHNAN)  
लेखा सदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : **Nemani Veera Venkata Satyanarayana**  
Lakshmi Broiler Farm  
Vemula Valasa, Anandapuram Mandal  
Visakhapatnam - 531162
2. राजस्व/ The Revenue : **The Income Tax Officer**  
**Ward – 2(5)**  
Income Tax Office, Infinity Tower  
Shankaramatham Road, Santhipuram  
Visakhapatnam – 530016
3. The Principal Commissioner of Income Tax
4. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्डफ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam