

IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, CHANDIGARH

PHYSICAL HEARING

**BEFORE HON’BLE SHRI RAJPAL YADAV, VICE PRESIDENT
AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं./ ITA No.1315/CHANDI/2025
(निर्धारण वर्ष / Assessment Year: 2015-16)**

Shri Mukesh Kumar H. No. 76W No. 2, SK Road Radaur, Yamuna Nagar -135 133	बनाम/ Vs.	ITO Ward 3 Aaykar Bhawan, Sector 17, Jagadhari, Yamuna Nagar - 135003
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. BRUPS-0808-J		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Sh. Ajay Jain (CA) – Ld. AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Dr. Ranjit Kaur (Addl. CIT) – Ld. Sr. DR

सुनवाईकीतारीख/ Date of Hearing	:	13.01.2026
घोषणाकीतारीख / Date of Pronouncement	:	16.01.2026

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2015-16 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC [CIT(A)] dated 02-09-2025 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s 147 r.w.s. 144B of the Act on 28-03-2022. The grounds of appeal read as under:

1. That the AO has wrongly invoked the provisions of Section 147/148 of Income Tax Act, 1961.
2. That the AO has wrongly taxed enhanced compensation amounting to Rs. 901726 on acquisition of agricultural land which is exempt under Section 10(37) of Income Tax Act.

3. That the AO has wrongly taxed interest enhanced compensation amounting to Rs.458584 on acquisition of agricultural land which is also exempt under Section 10(37) of the Income Tax Act being part of compensation.
4. That the AO has wrongly denied taxes paid at Rs.96890/-.
5. That the AO has wrongly framed assessment under Section 144 of Income Tax Act.
6. That the competent authority has given approval in mechanical manner, hence assessment is bad in law.
7. That the AO has failed to issue notice u/s 143(2), hence assessment is bad in law.
8. That the AO has wrongly disallowed deduction under Section 80C amounting to Rs.146330/-.

Having heard rival submissions and upon perusal of case records, the appeal is disposed-off as under.

2. The assessee declared net income of Rs.1,67,090/- in its return of income. The case was reopened to bring to tax interest on compensation for Rs.9,17,167/- as received by the assessee on 28-10-2014 under Land Acquisition Act. The Ld. AO opined that the said interest would be taxable u/s 56(2)(viii) after deduction of 50% u/s 57(iv) r.w.s. 145A(b). In response to this notice, the assessee declared net income of Rs.6,25,680/- including interest on land compensation for Rs.4,58,585/-. The same was accepted by Ld. AO. The assessee claimed deduction of LIC payment for Rs.1,46,630/- u/s 80C which was denied for want of supporting document. The assessee reflected exempt agricultural income of Rs.9,01,726/- which was considered as income from other sources. Finally, the income was determined at Rs.16,74,040/-. The Ld. CIT(A) confirmed the assessment for want of any compliance from the assessee. Aggrieved, the assessee is in further appeal before us.

3. So far as the issue of taxability of interest on land compensation is concerned, this issue has been decided by Tribunal against the

assessee in its recent decision in bunch of appeals titled as **Shri Ajay Kumar & Ors. (ITA Nos.463/Chd/2023 & ors. dated 11-11-2025).**

The assessee has already offered 50% of interest on compensation to tax in the return of income and the same has been accepted by Ld. AO. The agricultural income of Rs.9,01,726/- is apparently amount of compensation and the same has been claimed to be exempt by Ld. AR. The Ld. AR also stated that the assessee is in a position to substantiate the impugned deduction as claimed u/s 80C if another opportunity is granted to the assessee.

4. Accepting the prayer of Ld. AR, both the issues i.e., taxability of agricultural income for Rs.9,01,726/- as well as claim of deduction u/s 80C for Rs.1,46,630/- stand restored back to Ld. AO with a direction to the assessee to plead and prove its case forthwith. No other ground has been urged before us.

5. The appeal stand allowed for statistical purposes.

Order pronounced on 16th January, 2026.

**-Sd-
(RAJPAL YADAV)
VICE PRESIDENT**

**-Sd-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER**

Dated: 16.01.2026

आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR
ITAT CHANDIGARH