आयकर अपीलीय अधिकरण, पुणे न्यायपीठ "एक-सदस्य मामला" पुणे में
IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "SMC", PUNE

श्री डी. करुणाकरा राव, लेखा सदस्य के समक्ष
BEFORE SHRI D. KARUNAKARA RAO, AM

आयकर अपील सं. **/ ITA No.1700/PUN/2019**
निर्धारण वर्ष **/ Assessment Year : 2008-09**

Udaysinh Subhashchandra Patil,
356-A, Warnali Road, Vishrambag,
Dist.-Sangli-416415.

PAN : ADDPP5034F ....अपीलार्थी / Appellant

बनाम / V/s.

JCIT, Range-1,
Sangli. ......प्रत्यर्थी / Respondent

Assessee by	:	Shri C. H. Naniwadekar,
Revenue by	:	Shri S. P. Walimbe

सुनवाई की तारीख / Date of Hearing	:	27.01.2020
घोषणा की तारीख / Date of Pronouncement	:	05.02.2020

आदेश / ORDER

PER D. KARUNAKARA RAO, AM:

This appeal is filed by the assessee against the order of CIT(A)-1, Kolhapur dated 05.09.2019 for the Assessment Year 2008-09.

2. The effective ground raised by the assessee is as under :-

> *"1. The learned CIT(A) erred on facts and in law in upholding addition of Rs.1,99,000/- of agricultural income u/s 68 of the Act. He failed to appreciate the facts and circumstances in its proper perspective."*

3. Briefly stated the relevant facts include that the assessee is engaged in the business of manufacturing of industrial rubber parts. The assessee filed the return of income declaring total income of Rs.5,50,420/-. For the

assessment year under consideration, the assessee claimed an agricultural income of Rs.1.99 lakhs in the return of income. Against the same, the assessee claimed expenditure of only Rs.17,899/-. The ratio works out to 9% of the agricultural income. During the assessment proceedings, the Assessing Officer disbelieved the claim of the assessee and treated the entire agricultural receipts as 'income from undisclosed sources' u/s 68 of the Act. Otherwise, the assessee furnished the 7/12 extracts reflecting the facts relating to the existing thick bamboo trees and growth of cashew nut trees. The assessee also furnished the evidence regarding the sale of bamboo and cashew. However, considering the self-vouchers and unverifiable of the claims of the assessee, the Assessing Officer rejected the entire claim as agricultural income and taxed on the same u/s 68 of the Act. The CIT(A) confirmed the same.

4. Before me, ld. Counsel for the assessee filed various details in support of the existing of land, growth of crops, trees, sale of produce, etc. There is certificate of the agricultural production from Panchayat Committees. The assessee also furnished the invoices raised on sale of agricultural produce. The relevant accounting statements showing the agricultural produce were also furnished. The ld. Counsel submitted that the claim of the assessee cannot be rejected when there is ample evidence about the existing of land, growth of crops/trees.

5. On the other hand, ld. DR for the Revenue relied heavily on the orders of the Assessing Officer and the CIT(A).

6. Heard both the sides and perused the Paper Book furnished before me. On perusal of the same, it is noticed that the sale bills issued are handwritten ones. Further, I find there is a reference to the VAT payments on the sales. However, there is no verifiable evidence from third party about the claims of sale of goods and the cultivation of agricultural produce. Further, I find the claim of agricultural expenses @ 9% is not in tune with the relevant data maintained by Mahatma Phule Agricultural University (MPAU). In many other cases before the Tribunal like Maruti Nivrutti Navale vs. ACIT vide ITA No.360/PUN/2017 and others dated 15.11.2019, the minimum of 40% of gross agricultural income should constitute agricultural expenses. However, the cereals/millets/sugarcane etc are the crops involves in that case. Therefore, I am of the opinion that applying the rate of 40% of agricultural expenditure may be higher side considering the bamboo and cashew cultivation in the present case. Therefore, affirming the existence agricultural land in view of the support of 7/12 extracts, I am of the opinion that the rejection of entire claim of the assessee is not appropriate. However, considering the 9% (supra), the amount of agricultural income claimed by the assessee has to be amended. The Assessing Officer is directed to adopt 30% of the agricultural expenditure for earning of Rs.1.99 lakhs of agricultural income. The Assessing Officer is directed to re-compute the same applying the flat rate

of 30% incurred for agricultural expenditure on ad-hoc basis for the year under consideration. Thus, the relevant ground raised by the assessee is partly allowed.

7. In the result, the appeal of the assessee is partly allowed.

Order pronounced on this 05th day of February, 2020.

Sd/-
(D. KARUNAKARA RAO)
लेखा सदस्य / ACCOUNTANT MEMBER

पुणे / Pune; दिनांक Dated : 05th February, 2020.
Sujeet

<u>आदेश की प्रतिलिपि अग्रेषित/Copy of the Order is forwarded to</u> :

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-1, Kolhapur;
4. The Pr. CIT-1, Kolhapur;
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "एक–सदस्य मामला" / DR 'SMC', ITAT, Pune;
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune