Patnala Srinivas v. Income Tax Officer, Ward-10(4), Hyderabad

ITTA No. 127 of 2008

ITTA No. 127 of 2008 (Telangana High Court, decided 2 January 2025) | 2025-01-02

Claimed agricultural income rejected on non-perverse factual findings, despite the Court's qualification concerning section 69A.

Income-tax Act, 1961: sections 69A, 143(3) and 260A

High Court for the State of Telangana | 2-judge bench (Division Bench) | Hon'ble Chief Justice Alok Aradhe | Hon'ble Justice J. Sreenivas Rao

Assessment years: 2000-01

01 FACTS OF THE CASE

For AY 2000-01, the building-material supplier returned business income of Rs.82,450 and agricultural income of Rs.2,25,000 on 20 May 2002. The 30 November 2004 assessment added the latter amount under section 69A, assessing Rs.3,07,450. CIT(A)'s 17 March 2005 order relied on official letters dated 23 and 28 September 2004 reporting no crops and plotted land. ITAT upheld the result on 19 January 2007 in ITA 797/Hyd/2005.

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02 DISCUSSION BY THE HON'BLE COURT

The Court accepted that section 69A per se might not apply, but identified actual agricultural operations as the decisive issue. The Inspector's spot enquiry and official land records showed plots and no cultivation. The enquiry material was supplied to the assessee for comments, but no explanation followed. The concurrent findings were not perverse; section 260A did not permit interference with them.

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03 JUDICIAL DECISION

The admitted substantial question was answered against the assessee and for Revenue. The appeal was dismissed, pending miscellaneous applications closed, and no costs ordered.

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04 OUTCOME / IN WHOSE FAVOUR

The Rs.2,25,000 agricultural-income claim failed. The judgment does not endorse section 69A without qualification or announce a new general rule on every agricultural-income claim.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

The statutory qualification must accompany the result — Although Revenue succeeded, the Court expressly found substance in the submission that section 69A per se might not apply. Its decisive reasoning instead concerned the failure to establish cultivation and the limits of factual review. Citing only the dismissal as unconditional approval of section 69A would omit a material part of the judgment.

Answer the adverse evidence at the factual stage — The Inspector's report was disclosed for the taxpayer's comments, yet no explanation was given. The Court also relied on the official letters and Tribunal finding of no cultivation. The practical issue is evidence of operations during the relevant period, including a reasoned response to contrary land records; the judgment does not create an absolute rule that every official report is conclusive.

A disputed report period did not establish perversity — The assessee argued that a report concerned FY 2001-02 and could not establish the position for the earlier year. That was an argument, not a finding accepted by the Court. The Bench nevertheless upheld the combined evidentiary findings, citing Syeda Rahimunnisa and Softbrands on factual review. No acreage, private-affidavit rejection or detailed tilling-and-sowing test is stated in this source.

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SOURCE & VERIFICATION

High Court for the State of Telangana official judgment PDF — AKHB Repository (20250102_HBHC010040402008.pdf)

8-page official High Court for the State of Telangana order/judgment PDF (20250102_HBHC010040402008.pdf, 195,374 bytes).

All 8 original pages read and visually inspected; all five panels audited.

Open cited source rendition

Original source SHA-256 and all eight pages verified; page-specific evidence retained.

STATUTORY SCOPE

Section 69A, not section 68, is the provision in the admitted question. The Court states that section 69A per se may not apply, but rejects the agricultural-income claim on the evidentiary findings.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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