

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
MUMBAI BENCH "G", MUMBAI**

**BEFORE SHRI RAJESH KUMAR, ACCOUNTANT MEMBER AND  
SHRI AMARJIT SINGH, JUDICIAL MEMBER**

**ITA No.2133/M/2018  
Assessment Year: 2014-15**

DCIT 31(3), Room No.110, C-13, 1 <sup>st</sup> Floor, Pratyaksh Kar Bhavan, BKC Bandra (East), Mumbai - 400051	Vs.	M/s. Sea Princess Realty, H Wing, Ashokraj SV. Road, Goregaon West, Mumbai - 400062 <b>PAN: AAFFM0605C</b>
(Appellant)		(Respondent)

**Present for:**

Assessee by : Shri Vimal Punamiya, A.R.  
Revenue by : Shri Manoj Mishra, D.R.

Date of Hearing : 29.01.2021  
Date of Pronouncement : 06.04.2021

**ORDER**

**Per Rajesh Kumar, Accountant Member:**

The present appeal has been preferred by the Revenue against the order dated 29.12.2017 of the Commissioner of Income Tax (Appeals) [hereinafter referred to as the CIT(A)] relevant to assessment year 2014-15.

2. The only issue challenged by the Revenue in the various grounds of appeal is as regards deletion of addition by Ld. CIT(A) as made by the AO by adopting percentage completion method as against the project completion method adopted by the assessee.

3. The facts in brief are that the assessee is a property developer and filed return of income on 28.11.2014 declaring an

income of Rs.21,64,100/- which was processed under section 143(1) of the Act. Thereafter, the case of the assessee was selected for scrutiny and statutory notices were duly issued and served upon the assessee. Finally, the assessment was completed vide order dated 23.12.2016 passed under section 143(3) of the Act by making an addition of the income which has already been offered by the assessee to tax and has been accepted by the Revenue in assessment year 2015-16 on project completion method.

4. The Ld. CIT(A) allowed the appeal of the assessee by holding that in the subsequent year, the assessee has offered the income to the tax in A.Y. 2015-16 and the same has been accepted by the department as per the accounting policy followed by the assessee consistently of project completion method. The relevant operative part of ld CIT(A) order is as under:

“6.3.19 On careful examination of the matter, I am of then view that the impugned additions are not sustainable for the reasons that firstly, the method employed by the appellant in the present case i.e. Project Completion Method , is regularly employed by the appellant and it has been accepted by the department in earlier years; secondly, there is no mandatory Accounting Standard prescribing the method of working out percentage stage of completion and thirdly, as per Project Completion Method followed by assessee, entire profit of the project have been offered to tax in subsequent AY 2015-16, which had been accepted by Assessing Officer. Under these facts and circumstances as mentioned above and respectfully following the decision of the Hon'ble Jurisdictional High Court as cited supra and the Rule of Consistency, I find that the additions cannot be sustained. The same are, therefore, deleted.”

5. After hearing both the parties and perusing the material on record, we find that if the AO's theory is accepted it will result into double taxation of the same income. The Ld. CIT(A) has correctly passed the order by recording a finding of fact that the income has been assessed in A.Y. 2015-16 as per the accounting

policy of project completion method regularly followed by the assessee. In view of these facts, we do not find any infirmity in the order of Ld. CIT(A) and accordingly the same is upheld.

6. In the result, the appeal of the Revenue is dismissed.

**Order pronounced in the open court on 06.04.2021.**

**Sd/-**  
**(Amarjit Singh)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(Rajesh Kumar)**  
**ACCOUNTANT MEMBER**

Mumbai, Dated: 06.04.2021.

\* Kishore, Sr. P.S.

Copy to: The Appellant  
The Respondent  
The CIT, Concerned, Mumbai  
The CIT (A) Concerned, Mumbai  
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.