

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI**  
**(DELHI BENCH 'DB' : NEW DELHI)**  
**BEFORE SH. SHAMIM YAHYA, ACCOUNTANT MEMBER**  
**AND**  
**SH. ANUBHAV SHARMA, JUDICIAL MEMBER**  
**ITA No. 3862/Del/2018, A.Y. 2014-15**

ITO, Ward-1(4), Dehradun	Vs.	J.J.Realtech P. Ltd. 42, Subhash Road, Shivalik Gold Apartment, Dehradun PAN : AACCCJ7889B
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>

Appellant by	None
Respondent by	Smt. Poonam Sharma, Addl. CIT

Date of hearing:	20.09.2023
Date of Pronouncement:	03.10.2023

**ORDER**

**PER ANUBHAV SHARMA, JM:**

The appeal is preferred by the Revenue against the order dated 15.03.2018 of CIT(A), Dehradun (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') arising out of an appeal before it against the assessment order dated 27.12.2016 passed u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred as 'the Act') by the ITO, Ward-1(4), Dehradun (hereinafter referred as the Ld. AO).

2. Heard and perused the record.

3. At the time of hearing, non-appeared for the assessee. Notices have been issued repeatedly. Notices were issued through department also and service report of same is filed.

4. It comes up from the record a survey was carried out on the assessee's premises of M/s J J Buildtech and M/s J J Realtech Private Ltd on 12.03.2014. During the course of survey proceedings, it was agreed by the assessee that the total returned income for the group for A.Y.2013-14 and 2014-15 will be Rs. 4.25 crores.

5. During the course of assessment proceedings, the AO found that the assessee has received certain advances in cash amounting to Rs. 1,89,55,000/-. There is no dispute about these advances having been received in cash and not having been accounted in the books of account. The assessee also admits this. The AO was of a opinion that this amount of Rs. 1,89,55,000/- is not covered by the surrender of additional income made by the assessee ground and accordingly, he added this amount back for A.Y. 2014-15.

6. Before the AO and also before the CIT(A), while the assessee admitted that this amount of Rs. 1,89,55,000/- was indeed the item of undisclosed income, the question was only about the timing of its taxation. This is the advance received by the assessee and the assessee is following the percentage of completion method. Therefore, Ld. CIT(A) held that this advance will be recognized only in the year in which revenue is recognized. The assessee has also submitted before the Ld. CIT(A), ledger account in which all these advances have been credited to the books of account for F.Y. 2015-16 and 2016-17 and therefore, have been offered for taxation in this financial year.

7. Ld. CIT(A), having considered above found merit in the assessee's plea and concluded that this amount that has been received is indeed an advance. He concluded that since, the assessee is using the percentage of completion

method, it would be out of place to treat the advance income in the year in which it is received. Ld. CIT(A) thus concluded that it is only the question, in which financial year it shall be brought to tax. Since the assessee has credited this amount into his books of account for F.Y. 2015-16, this ought to be brought to books in this financial year.

8. Accordingly Ld.CIT(A) deleted the addition however, subject to the verification that this amount have been subsequently credited to the books of account by the assessee and offered for taxation. If any amount has not been offered for taxation in the next two financial years, subsequent to the year under consideration, the addition made by the AO for that amount shall stand.

9. Ld. DR has submitted before us that Ld. CIT(A) has not appreciated the facts in correct perspective however, after taking into consideration the directions of Ld. CIT(A), we find directions of Ld. CIT(A) require no interference. Grounds have no force. **The appeal of Revenue is dismissed.**

**Order pronounced in the open court on 3<sup>rd</sup> October, 2023.**

Sd/-

(SHAMIM YAHYA)  
ACCOUNTANT MEMBER

*Date:-03.10.2023*

**\*Binita, SR.P.S\***

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

(ANUBHAV SHARMA)  
JUDICIAL MEMBER

ASSISTANT REGISTRAR  
ITAT, NEW DELHI