

आयकर अपीलीय अधिकरण, 'ए' (एस एम सी), न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' (SMC) BENCH, CHENNAI**

श्री जॉर्ज जॉर्ज, उपाध्यक्ष के समक्ष  
**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT**

आयकर अपील सं./ITA No.: 618/CHNY/2025

निर्धारण वर्ष/Assessment Year: 2016-17

**Shri Sadayandi Lakshmanan**  
**Jegaratchagan,**  
B-44, Sreevasta Enclave,  
MTP Road,  
G.N. Mills Post,  
Coimbatore – 641 029.

**The Income Tax Officer,**  
Vs. Non-Corporate Circle 4,  
Coimbatore

**PAN: AFPPJ 9475E**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri S. Sridhar, Erode, Advocate  
(Through Virtual Mode)  
प्रत्यर्थी की ओर से/Respondent by : Shri C.P. Solomon, JCIT

सुनवाई की तारीख/Date of Hearing : 23.06.2025  
घोषणा की तारीख/Date of Pronouncement : 01.07.2025

**आदेश/ ORDER**

This appeal filed at the instance of the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 30.12.2024, passed under section 250 of the Income Tax Act, 1961 (hereinafter called 'the Act'). The relevant Assessment Year is 2016-17.

2. The solitary issue that is raised is whether the First Appellate Authority (FAA) is justified in confirming the addition made by the AO amounting to Rs.30,00,000/- u/s.69A of the Act.

3. Brief facts of the case are as follows: The assessee is an individual doing real estate business. For the assessment year 2016-17, the assessee did not file any return of income. Based on the information that assessee had received Rs.30 lakhs from one Smt. Rashmi Rajan Kapoor on account of real estate deal, notice u/s.148 of the Act was issued. During the course of reassessment proceedings, assessee did not furnish requisite details such as brokerage fees received / receivable during the year, business activities of the assessee, etc. Therefore, an amount of Rs.30 lakhs was brought to tax by the AO u/s.69A of the Act.

4. Aggrieved by the assessment completed u/s.147 r.w.s. 143(3) of the Act on 24.09.2021, the assessee preferred appeal before the First Appellate Authority. Before the First Appellate Authority, the assessee took legal contentions as well as grounds on merits. Both legal contentions and the issues on merits were

rejected by the FAA and the appeal of the assessee was dismissed.

5. Aggrieved by the order of the FAA, the assessee has filed the present appeal before the Tribunal. The limited submission of the Ld.AR before the Tribunal was that the assessee had received an amount of Rs.30 lakhs only on 06.04.2016 and same can be brought to tax in the subsequent assessment year namely AY 2017-18, since the assessee was following cash system of accounting. The Ld.AR filed a brief written submission, which is reproduced below:-

*The respectful submissions of the appellant is that the impugned addition of Rs.30,00,000/-represents commission RECEIVED by the appellant from Rashmi Rajan Kapoor on 06/04/2016, which sum is credited in the bank account in Account No.820310310000074 in Bank of India, Saibaba Colony, Coimbatore on 06/04/2016.*

*As the appellant has been, whenever his income has exceeded the taxable limit, in filing income tax returns by mentioning in the column - METHOD OF ACCOUNTING- CASH and the details of returns of income filed with acknowledgement number in the form of a chart.*

| <i>Asst. Year</i> | <i>Date of Filing</i> | <i>Acknowledgment Number</i> |
|-------------------|-----------------------|------------------------------|
| <i>2010-11</i>    | <i>22/07/2011</i>     | <i>241129230220711</i>       |
| <i>2011-12</i>    | <i>22/07/2011</i>     | <i>241144560220711</i>       |
| <i>2012-13</i>    | <i>22/03/2014</i>     | <i>130910760220314</i>       |
| <i>2013-14</i>    | <i>05/07/2013</i>     | <i>644590520050713</i>       |
| <i>2016-17</i>    | <i>16/09/2021</i>     | <i>518426850160921</i>       |
| <i>2021-22</i>    | <i>29/03/2022</i>     | <i>461752970290322</i>       |
| <i>2023-24</i>    | <i>31/07/2023</i>     | <i>121686601310723</i>       |

*Turning to sec.145 for a moment, sub sec.1 of sec.145 mandates that income chargeable under Business or Profession or Other sources shall, subject to sub. Sec.2, be computed in accordance with either cash or mercantile system of accounting regularly employed by the assessee.*

*When it is open to the appellant to adopt either the cash basis or mercantile basis, the choice is that of the appellant.*

*In view of the above, the addition made, though NOT RECEIVED IN THIS YEAR, requires to be deleted, keeping in mind the income consistently and regularly offered on CASH BASIS.*

6. The Ld.DR strongly supported the orders of the AO and the FAA.

7. I have heard rival submissions and perused the material on record. The assessee is a real estate consultant and had received Rs.30 lakhs as brokerage fee from sale proceeds. It is also an admitted fact that for the relevant assessment year assessee had not filed the return of income. The only contention before the Tribunal is that assessee had received Rs.30 lakhs in the subsequent year namely 2017-18 and same may be brought to tax in that year. It is also an admitted fact that for the subsequent year the assessee had not filed the return of income disclosing the receipt of Rs.30 lakhs as brokerage / commission from sale of a property. The assessee before the AO nor before the FAA had produced the details as regards to the activities undertaken by the assessee, details of commission received, etc.

It is not discernable from facts on record whether assessee is following cash system of accounting or mercantile system of accounting. Moreover, a substantial sum of Rs.30 lakhs has been received on 06.04.2016 admittedly for the services rendered during the financial year namely 2015-16. As mentioned earlier, assessee had not filed the return of income even for the subsequent assessment year disclosing the receipt of this amount of Rs.30 lakhs. Therefore, the AO is correct in bringing to tax the sum of Rs.30 lakhs during the relevant assessment year namely 2016-17. It is ordered accordingly.

8. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the open court on 1<sup>st</sup> July, 2025 at Chennai.

Sd/-

(जॉर्ज जॉर्ज के)

**(GEORGE GEORGE K)**

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 1<sup>st</sup> July, 2025

**RSR**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त /CIT, Coimbatore
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF.