

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "C": NEW DELHI  
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI SUDHIR KUMAR, JUDICIAL MEMBER**

ITA Nos. 1679 & 1385/Del/2024  
(Assessment Years: 2016-17 & 2017-18)

Vikram Bakshi and Company Pvt. Ltd, Top Floor, Mohan Dev Building, 13, Tolstoy Marg, Connaught Place, New Delhi	Vs.	CIT(A), NFAC, Delhi
(Appellant)		(Respondent)
<b>PAN: AAACV0661P</b>		

Assessee by :	Dr. Rakesh Gupta, Adv Shri Somit Aggarwal, Adv Shri Tarun Kumar, Adv Shri Deepsh Garg, Adv
Revenue by:	Shri Om Prakash, Sr. DR
Date of Hearing	03/09/2025
Date of pronouncement	19/11/2025

O R D E R

**PER BENCH:**

1. The appeal in ITA No. 1679/Del/2024 for AY 2016-17 & 1385/Del/2024 for AY 2017-18, arise out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 14.02.2024 and 31.01.2024 against the order of assessment passed u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 28.12.2018 and 31.12.2019 by the Assessing Officer, ACIT, Circle-26(2), New Delhi (hereinafter referred to as 'Id. AO'). Subsequently, the appeals were migrated to the National Faceless Appeal Centre (NFAC).

**ITA No. 1679/Del/24 for AY 2016-17**

2. Ground Nos. 1 and 7 are general in nature and does not require any specific adjudication.
3. Ground No. 2 raised by the assessee was stated to be not pressed by the Id AR and accordingly the same is reckoned as a statement made from the Bar and dismissed as not pressed.
4. Ground Nos. 3 to 6 raised by the assessee are challenging the addition made on account of commission of ₹1,34,07,964/- and interest on unpaid commission of ₹1,25,07,426/-
5. We have heard the rival submissions and perused the material available on record. The assessee is a company engaged in the business of providing facilities to inhabitants of Mohandev Building, 13 Tolstoy Marg, New Delhi, including air conditioning, stand-by generators and furniture and fixtures on hire. The assessee also has some investment in properties which are let out. The return of income for AY 2016-17 was electronically filed by the assessee company on 31.03.2018, declaring total income of ₹1,16,15,486/-. In June 1996, the property was purchased by Anubhav Hotel and Resorts Pvt Ltd from Noida Authority on long-term lease basis. On 17.01.1997, a management agreement between the Anubhav Hotels and Resorts Private Limited and Connaught Plaza Restaurants Private Limited(CPRPL) was entered, which was followed by supplementary agreement dated 24.09.1999. On 30.09.1999, the assessee purchased the aforesaid property from Anubhav Hotels and Resorts Pvt Ltd. In October 1999, CPRPL was informed that assessee is now the owner of the property which had been managed by CPRPL. On 15.03.2001, the business agreement between the assessee and CPRPL

for commission/ lease rent was entered into. On 22.07.2002, the assessee agreed to sell the above mentioned property to CPRPL for ₹4.40 crores and received an advance of ₹4 crores. On 15.01.2003, the assessee applied to Noida Authority to transfer the property in the name of CPRPL. However, the Noida Authority did not transfer the property to CPRPL due to certain claims and disputes that arose with respect to the coverage and title of the said property due to which Noida authority sought clarification from the erstwhile owner of the said property. Erstwhile owner of the property duly submitted the clarification and responded with the Noida Authority. Despite that, Noida authority did not transfer the property to CPRPL. Disputes were going on between the assessee and CPRPL with regard to non-transfer of the property to CPRPL from 2003 to 2019. During FY 2019-20 relevant to assessment year 2020-21 on resolution of the dispute, the property ultimately got transferred to CPRPL for ₹4.40 crores and assessee had offered to capital gains for AY 2020-21. The Id AO relied on a letter written by assessee to CPRPL on 09.11.2017, wherein the assessee had made a claim for receipt of outstanding commission payable vide business agreement dated 17.01.1997 as modified by business agreement dated 15.03.2001. In the said letter, claim was also made by assessee on CPRPL for receipt of interest for delayed payment of outstanding commission. Based on this, Id AO proceeded to add the commission amount of ₹1,34,07,964/- and interest on unpaid commission of ₹1,25,07,426/- as income of the assessee for AY 2016-17. This action of the Id AO was upheld by the Id CIT(A) on presumption that the assessee having received advance for sale of property at ₹4 crores from CPRPL on 22.07.2002 had not registered the property in favour of the CPRPL and accordingly assessee could have continued to receive the commission and interest on unpaid

commission thereon, pursuant to the business agreement entered into with CPRPL.

6. At the outset, we find that that the issue in dispute needs to be looked from the complete list of dates and events which are narrated in earlier part of this order. It is the fact that assessee had entered into a separate business agreement with CPRPL dated 15.03.2001 for receipt of commission/ lease rent from CPRPL as the property purchased by the assessee is being managed by CPRPL. But the assessee on 22.07.2022, had agreed to sell the subject mentioned property to CPRPL for ₹4.40 crores and had received advance of ₹4 crores thereon. The property could not be registered in favour of CPRPL due to delay caused by Noida Authority and not by the assessee. The assessee had got no control over this transaction for the delay in registration caused by Noida Authority. Ultimately, when the dispute got settled in AY 2020-21, the assessee with the permission of Noida Authority, registered the property in favour of the CPRPL for Rs. 4.40 crores and capital gains thereon duly offered to tax by the assessee and taxed as such by the revenue. As far as receipt of commission and interest on unpaid commission on notional basis, pursuant to the business agreement entered into by the assessee with CPRPL, it is pertinent to note that CPRPL had neither provided for payment of such commission/ lease rent/ interest to the assessee nor had paid any sum to the assessee on that account. The assessee had also not received any commission on lease / interest from CPRPL during the year under consideration. Merely a claim was made by the assessee by way of a letter dated 09.11.2017 on CPRPL, which was not acted upon by CPRPL. This fact was also confirmed by CPRPL vide their confirmation enclosed in page 99 of the paper book. Hence, there is absolutely no question of taxing any notional income in the form of

commission of ₹1,34,07,964/- and interest on unpaid commission of ₹1,25,07,426/- in the hands of the assessee. Accordingly, Ground Nos. 3 to 6 raised by the assessee are allowed.

7. The grounds raised by the assessee for AY 2017-18 are exactly identical to those raised in AY 2016-17 except with variance in figures. Hence the decision rendered by us for AY 2016-17 shall apply mutatis mutandis for AY 2017-18 also except with variance in figures.

8. In the result, both the appeals of the assessee are partly allowed.

Order pronounced in the open court on 19/11/2025.

-Sd/-  
**(SUDHIR KUMAR)**  
**JUDICIAL MEMBER**

-Sd/-  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated: 19/11/2025  
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi