

ITANos.759 to 761/Bang/2025
M/s. Anushka Estates, Bangalore
ITA Nos.779 to 782/Bang/2025
M/s. Anushka Realty Inc., Bangalore

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A”BENCH: BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA Nos. 759 to 761/Bang/2025
Assessment Years : 2016-17, 2018-19 & 2019-20

DCIT Central Circle-2(2) Bangalore	Vs.	M/s. Anushka Estates 100/1, City Centre J.C. Road Opp. Town Hall Bangalore Karnataka 560 002 PAN NO : AAYFA0641F
APPELLANT		RESPONDENT

ITA Nos.779 to 782/Bang/2025
Assessment Years: 2016-17, 2016-17. 2018-19 & 2019-20

DCIT Central Circle-2(2) Bangalore	Vs.	M/s. Anushka Realty Inc. 100/1, City Centre J.C. Road Opp. Town Hall Bangalore Karnataka 560 002 PAN NO : AAWFA1750F
APPELLANT		RESPONDENT

Assessee by	:	Sri Nagin Kincha & Smt. Suman Lunkar, A.Rs
Revenue by	:	Sri Shivanand Kalakeri, D.R.

Date of Hearing	:	18.12.2025
Date of Pronouncement	:	19.12.2025

O R D E R

PER KESHAV DUBEY, JUDICIAL MEMBER:

These appeals at the instance of the revenue are directed against the orders of the Id. CIT(A)-15, Bengaluru passed u/s 250 of the Income Tax Act, 1961 (in short “The Act”) of the above named assesseees for the assessment years 2016-17, 2018-19 & 2019-20.

2. The revenue in all these seven appeals has raised two common grounds of appeal i.e. firstly the Id.CIT(A) has erred in deleting the addition made by the AO under the head Profits & gains of business or profession based on percentage completion method for income arising from revenue sharing from JDA and secondly the Id.CIT(A) ignored the fact that the significant risk and rewards of ownership had already been transferred under the JDA and thus income should be recognized in the year of accrual by adopting percentage of completion method. Since the issue in all these seven appeals are common in nature, these are clubbed together heard together and disposed of by this common order for the sake of convenience and brevity.

3. We take up the revenue’s appeals in ITA No.779/Bang/2025 as lead case for adjudication and the findings of this appeal shall apply mutatis mutandis to all the other revenue appeals. The revenue has raised the following grounds of appeal in ITA No.779/Bang/2025:

- I. Whether under the facts and circumstances of the case and in law, the Id. CIT(A) has erred in deleting the addition made by the AO under the head income from Business which was computed based on percentage completion method for income arising from revenue sharing from JDA.
- II. Whether under the facts and circumstances of the case and in law, the Id. CIT(A) has erred in deleting the addition made by the AO, ignoring the fact that the significant risks and rewards of ownership had already been transferred under the JDA and thus income should be recognized in the year of accrual by adopting percentage of completion method.

4. Now the brief facts of the case are that the assessee “Anushka Realty INC.” is engaged in real estate activity and filed its return of income declaring total income of Rs.43,56,389/-. A search and seizure operation u/s. 132 of the Act was conducted in the case of M/s. Bowring Institute and Mr. Avnash Amarlal and in the connected case, a survey u/s. 133A of the Act was conducted at office premises of the assessee company situated at City center, JC Road, Bengaluru on **20/07/2018**. During the course of survey and post survey enquiries, it is found that the assessee has entered into Joint Development Agreement as tabulated below:-

Sl. No	Name of the Concern	JDA with	Area	Revenue Sharing
01	Anushka Realty	DNR Corporation Pvt. Ltd	75685 sq.ft	20.5%
02	Anushka Realty	Purvankara Projects Ltd	20 acres 1.5 Guntas	29.55%

4.1 During the course of survey and post survey proceedings, it was found that the assessee has not reported any business income in respect of receipts from M/s. DNR Corporation Pvt. Ltd and M/s.

Purvankara Projects Ltd and hence there was reason to believe that there was an escapement of income during the AY 2016-17, and accordingly the case was reopened by issuance of notice u/s. 148 of the Act dated 25/01/2021 after obtaining the approval from the statutory authorities u/s. 151 of the Act. The assessee filed its return of income only on 17/11/2021 i.e. almost after 11 months and accordingly notice u/s. 143(2) of the Act was issued through ITBA and duly served upon the assessee. Notice u/s. 142(1) of the Act was also issued to the assessee calling for certain details, and in response to the same the assessee submitted the details as called for. After verification of all the details filed by the assessee, the AO completed the assessment by holding as under:-

4.2 During the course of survey proceedings at the office premises of the assessee, copy of JDA dated 7.5.2013 entered with M/s. Purvankara Projects Ltd. and copy of JDA dated 30.10.2024 entered with M/s. DNR Corporation Pvt. Ltd. was found and impounded. On perusal of the JDA agreement, it is found that JDA clearly specifies in clause 1.1 that revenue from the sale of development will be shared in the ratio of 29.55% : 70.45% (M/s. Anushka Realty Inc. : M/s. Purvankara Projects Ltd.). Further, in clause 3.2 it is also mentioned that the developer promises that the revenue share if the owners (i.e. 29.55% of the realization) shall be calculated based on this condition of developer achieving super built up area of 2.5 times of land comprised in the scheduled property. In case of any shortfall in achieving this super built up area, the same shall be made good by the developer out of its share and the owner shall get the revenue share as if the super built up area is minimum of 2.5 times of the land area. During the course of assessment proceedings, it was found that the developer M/s. Purvankara Projects Ltd was adopting percentage completion

method and was reporting revenue from the above mentioned project since the completion of 25% of project. The contention of the AO is that since M/s. Purvankara Projects Ltd had been declaring profit and paying the tax on regular basis, the assessee ought to have recognized the revenue as per the percentage completion method on the similar lines to that of developer. On perusal of the response of the assessee, the AO found that the assessee is adopting project completion method and the assessee's contention that percentage completion method is not applicable in the case of the assessee is not tenable. The AO did not accept the claim of the assessee due to the following reasons:-

1. The assessee is in the business of real estate development and the land is being held as stock-in-trade.
2. Possession of the land has been given to the developer indicating transfer of the land.
3. The revenue sharing model of joint development being followed by the assessee is a composite arrangement wherein land is contributed by one party and the development being carried out by the other party with a clear understanding on sharing of proceeds from sale of entire developed property and also with an understanding on sharing of unsold inventory between both the parties.
4. The very terms of revenue sharing joint development agreements- specific percentage of the total revenue from the developed property- indicates the transaction is that of business in nature similar to that of developer and not that of mere transfer of assessee's property to the customers.
5. The developed property is being sold in the form of apartments. Each apartment is sold to a prospective customer with an agreement to sell the undivided share of land agreement to construct. The receipts of the assessee

constitute not just the receipts from agreement to sell the undivided share of land but a pre-determined proportion on the sale of entire developed property.

6. On the sale of apartment, the TDS deducted by the purchaser is credited to the developer's account and not that of the assessee. Also, TDS is being deducted by the developer on the entire share of the assessee's revenue and not the portion that pertains to sale of land.
7. The land is being registered as undivided share of the entire project under development and not as separate identifiable portion of land. This indicates that the transfer of rights over the Undivided share of land is more in the nature of business income rather than attracting capital gains for transfer of property.
8. The revenue received by the assessee cannot be constructed as simple case of transfer of property. In any transfer of property, the transferor and transferee exercise effective control over the transaction. In the present scenario the assessee has no control over the sale process (right to choose the transferee) and the cancellation of the contract (right to terminate the agreement to sell). In other words, the entire business process- development of the property, sale of apartments, transfer of assessee's share of revenue to the assessee's account is irreversible by the assessee similar to that of a business activity of a developer.
9. The other party (Developer) which is developing the land is regular accounting the revenue generated on the development generated from the land as per the percentage completion method under AS-7.
10. There is transfer of significant risks and rewards by way of agreement to sell and agreement to construct

signifying the applicability of AS-9. Registration of the sale deed is only a way formalizing the contract and its impact on recognition of revenue and corresponding tax liability is extremely limited in scope.

11. It is to be noted that the revenue/income should be recognized when there is an actual transfer even though the legal title is not transferred.

4.3 The assessee however, submitted that it is only involved in the JDA as a landowner and it is governed by AS-9 i.e. revenue recognition method which would be based on transfer of ownership along with significant risk and reward and that occurs only on completion of project on transfer of property to the ultimate buyer. The AO's contention is that the risk in connection with the development of the project is clearly not born by the assessee at any point of time and accordingly held that the method applicable to M/s. Purvankara Projects Ltd for revenue recognition is squarely applicable for the assessee also. The process of development of projects includes construction activities made on a piece of land. Therefore, the assessee's attempt to establish that only construction activity is termed as development and that land is not a part of development activity cannot be accepted. Further, as enumerated in the JDA, the method of appropriating the money and the accrual of income thereby is very specific and clearly defined in the JDA. The assessee's share is accordingly worked out and credited to its designated bank account after deducting Tax at Source.

4.4 Further, in the opinion of AO, the ICAI came out with guidance note on accounting for real estate transactions (revised 2012) which applies both to the developer and the contractor, wherein it is provided that in case of real estate sales, the seller

usually enters into an agreement for sale with the buyer at the initial stage of construction. This agreement for sale is also considered to have the effect of transferring all significant risk and rewards of ownership to the buyer, provided the agreement is legally enforceable and subject to the satisfaction of conditions, which signify transferring of significant risk and rewards, even though the legal title is not transferred or the possession of real estate is not given to the buyer. The AO held that once the seller had transferred all the significant risk and rewards to the buyer, any acts on the real estate performed by the seller are, in substance perform on behalf of the buyer in the manner similar to the contractor and accordingly the revenue in such cases is to be recognized by applying the percentage of completion method.

4.5 As the assessee submitted that the land cost for this project is Rs.51,82,89,420/- and the developer had reached the 25% milestone of project completion in AY 2016-17, the AO worked out the revenue after allowing the proportionate land cost for the respective year as under:-

AY	Total Cumulative receipts	Total Cumulative receipts of the assessee	Total % as per income recognition	Total % age cumulative receipts of the assessee	% age of land cost of Rs. 51,82,89,420 /-based on Cw2olumn B	Cumulative income	Income for the year	Remarks
		A	B	C	D	E=C-D	F	
2014-15	12,08,09,916	3,56,99,301	5.97	21,31,248	3,09,41,878	NA	NA	Since, the project completion is less than 25%, thus no income to be recognized this year
2015-16	1,58,16,15,207	46,73,67,294	15.26	7,13,20,249	7,90,90,965	NA	NA	
2016-17	2,76,11,13,838	81,59,09,139	36.16	29,50,32,745	18,74,13,454	10,76,19,920	10,76,19,920	
2017-18	4,68,33,43,616	1,38,39,28,039	68.14	94,30,08,565	35,31,62,411	58,98,46,155	48,22,26,864	
2018-19	5,73,23,86,770	1,69,39,20,291	97.92	1,65,86,86,748	50,75,09,000	1,15,11,77,748	56,13,31,594	
2019-20	6,39,52,48,410	1,88,97,95,905	100.	1,88,97,95,905	51,82,89,420	1,37,15,06,485	22,03,28,737	

Thus, Rs.10,76,19,291/- was added by the AO as business income of the assessee in the lines of developer for the AY 2016-17.

5. Aggrieved by the assessment order passed u/s. 147 of the Act dated 04/03/2022, the assessee preferred an appeal before the CIT(A)-15, Bengaluru.

6. The ld. CIT(A)-15, Bengaluru allowed the appeal of the assessee by holding as follows: -

1. The case law relied by the AO is in the context of the developer and not the landowner.

2. In case of landowner, irrespective of method of accounting adopted by the developer or contractor, the landlord is free to adopt the method that it had been consistently following with.

3. The assessee has adopted the project completion method of recognition of revenue and had been consistently following it over the years, the method of accounting is not subjective to any change by the revenue.

4. The assessee has also in subsequent years offered this income on the project completion method and since the changing of method of accounting, which has been consistently followed by the assessee from year to year is held not to be correct.

5. The ld.CIT(A) following the decision of the Co-ordinate bench of this Tribunal in the case of M/s. Trishul Build Tech and Infrastructure Pvt Ltd vs. DCIT in ITA Nos.107 to 109/Bang/2022 allowed the appeal of the assessee and accordingly

deleted the entire addition of Rs.10,76,19,291/- made by the AO for the AY 2016-17.

7. Aggrieved by the order of Id.CIT(A)-15, Bengaluru dated 31/01/2025, the revenue has filed the present appeal before this Tribunal.

8. Before us, the Id.CIT D.R. vehemently submitted that the Id.CIT(A) grossly erred in deleting the addition made by the AO under the head "income from business" which was computed based on the percentage completion method for income arising from revenue sharing from JDA. Further, the Id. D.R. submitted that when the significant risk and reward of the ownership had already been transferred under the JDA, the income should be recognized in the year of accrual by adopting percentage completion method as adopted by the developer and thus the method of computing income adopted by the assessee is not correct. The Id.D.R. highly relied on the order of the assessing officer.

9. The Id.A.R. of the assessee on other hand, highly relied on the order of the Id.CIT(A)-15, Bengaluru as well as the decision of this Co-ordinate Bench of Bengaluru in the case of M/s. Trishul Buildtech & Infrastructure Pvt. Ltd. Vs. DCIT cited (supra) and vehemently submitted that the assessee is offering the income under project completion method in the past and there is no change in the method applied by the assessee. As the assessee in the present case is the landowner and not the contractor/developer, therefore the provisions of AS-7 issued by ICAI does not apply in the case of the assessee. Further, Id.A.R. of the assessee vehemently submitted that even AS-9 issued by ICAI is also not applicable as all the conditions as enumerated are not fulfilled. It is

also submitted that till the registered sale deed is not executed, the ownership lies with the landlord only and therefore significant risk and reward is not transferred. It is also submitted that the entire exercise is anyway tax neutral and the entire amount has already been offered in subsequent years. Lastly, the Id.A.R. submitted that merely the developer/contractor has followed the percentage completion method, the AO cannot compel the assessee to follow the same especially when the assessee was following the completion method consistently.

10. We have heard the rival submissions and perused the material available on record. It is an undisputed fact that the assessee firm had held the lands as Stock in trade and the AO had also make an addition under the head "Profits & Gains of Business or Profession. In the course of business, the assessee entered into two joint development agreements with M/s. DNR Corporation Pvt Ltd and M/s. Purvankara Projects Ltd. in respect of lands owned by it as "stock in trade". In respect of these joint development projects, the assessee adopted the project completion method for recognizing the revenue/income. However, the addition in impugned order is with regard to project with M/s. Purvankara Projects Ltd only. On perusal of the Para 1.1 of the JDA entered into with M/s. Purvankara Projects Ltd., the AO noted that the revenue from sale of development is to be shared in the ratio of 29.55% (to assessee owner) : 70.45% (to developer) of the revenue consideration **on receipts and realization of the same from the purchasers of the development**. Revenue Consideration shall mean proceeds of the sale of constructed area, car parking spaces, civic amenities spaces, exclusive terrace area, garden area along with divided and or undivided share in the schedule property. The AO further noted that clause 3.2 of the JDA specifies that the **revenue collected**

from the prospective purchasers shall be based on the condition that the developer achieves super built up area of 2.5 times of the land comprised in schedule property. In case of any shortfall, the same shall be made good by the developer out of its share and the owner shall get the revenue's share as if the super builtup area is minimum of 2.5 times of land area. The assessee contended that none of these flats or undivided interest in the land was transferred till 31/03/2016. Since the assessee is recognizing the revenue based on the ultimate registration of the sale deed and since no part of the property had been registered under a duly registered sale deed, a sum of Rs.85,04,22,302.04/- received by the assessee was shown as liability in the balance sheet as on 31/03/2016. Further, on going through the Joint Development Agreement we observed as follows-

- i) The assessee firm having lands held as stock in trade had granted the development rights to the developer to develop the property owned by the assessee.
- ii) Both the land owner as well as developer had agreed to develop the property and share the revenue from the sale of development with the owners in the ratio of 29.55% : 70.45% of the Revenue Consideration on receipt and realization of the same from the purchasers of the development.
- iii) All the lands related costs including up to date property taxes & getting the municipal assessment and khata from the BBMP with respect to lands will be responsibility of the assessee firm. Further, the betterment charges and other charges/fee payable to BBMP or the consultants/liaison person shall be borne by the Assessee land owner.

iv) The assessee by way of separate power of attorney permitted the developer a right to enter upon the schedule property for carrying out development and construction thereon.

v) The Developer's responsibility is to develop the schedule property by construction of premium residential apartment building at its cost. The plans/design with respect to construction of building, obtaining necessary licenses and sanctioned plan, modification of any plan, Engagement of Architects, engineers, contractors & sub-contractors, Additions & alterations in the construction, Construction of boundary wall, Development of the internal and external services, amenities, facilities including roads, and passages etc are the responsibilities of the Developer/Builder. Further, the Developer will have the sole responsibility to sell/market the constructed area/apartments/ units to be constructed.

vi) The agreement for sale, agreement for construction and/or other writings including the sale deed to be entered into with the prospective purchasers of the constructed area shall be the responsibility of the developer but shall be jointly executed by the owners and developers.

vii) The assessee being the land owners are the sole legal and beneficial owners of, and are absolutely entitled to the scheduled property.

viii) The owners are in physical possession of the entire schedule property and no other person or entity is in or actually or conditionally entitled to possession, occupation, use or control of

the schedule property or any part thereof. The owners shall **continue to be in possession of the entire schedule** property.

ix) The owners shall continue to pay the land tax till the completion and sale of all the constructed area in the project.

Thus, as can be seen from above clauses of the JDA, it is crystal clear that assessee continued to be the owner of the land throughout the development of the property and there is no transfer of ownership to the developer. At the highest, possession alone was given under the agreement and that too for a specific purpose. Further, the assessee firm also continues to be in possession of the schedule land & shall be responsible to incur all land related expenses till the completion and sale of all the constructed area. The developer on the other hNad will be responsible for the development/construction of premium residential apartment building at its cost & in way the assessee company is involved in any construction/building /developing activities. Further the revenue will be shared from the sale of development with the owners in the ratio of 29.55% : 70.45% of the Revenue Consideration on **receipt and realization** of the same from the purchasers of the development. Thus, reading of the entire agreement would show that there was no transfer or sale of land under the joint development agreement. Further, we also take note of the fact that as per clause 13 of the JDA, the owner at their sole discretion have right to exercise the option to exit from the project if the construction activity is not commenced within certain period.

10.1 We take note of the fact that by virtue of agreement to sale entered into with the prospective buyers, the said buyers

agreed to pay money periodically over the duration of agreement, which is only a financing arrangement, which enables the assessee and developers to complete the project on time. When the advance amount is paid as per the agreement to sale, it becomes the debt due of the assessee and therefore till the project is completed, there would be no legal right to appropriate the advance money paid by the prospective buyers. Thus, the assessee is declaring the revenue relating to assessee's share arising from transfer of right, title and interest in land held as stock in trade to the ultimate purchasers when risk and reward of ownership is transferred along with the ownership of the land. That is why the agreement for sale as well as sale deed was jointly executed by the land owners and developers. The AO had made addition under head "profits & gains of business or profession" by adopting percentage complete method of revenue recognition as adopted by the developer. We are of the considered opinion that merely because the developer/contractor/builder had followed the percentage of completion method, the AO cannot compel the assessee to follow the same especially when the assessee is only a land owner & did not involve in the construction/development activities at all. The method of accounting consistently followed by the assessee, which is project completion method of recognizing revenue/ ultimate sale of flats/apartments is permitted in law and can be followed by the assessee.

10.2 As rightly contended by the assessee, the provisions of Accounting Standard-7 issued by the ICAI i.e. related to construction contracts are also not applicable as the assessee firm was never a developer/contractor and the entire responsibility of the construction/development is of the developer/builder only. Further, neither the ICDS-III issued under section 145 of the Act

nor section 43CB of the Act are applicable to the assessee as the assessee was not engaged in the construction contract. As per the guidance note on accounting for real estate transactions (revised 2012) issued by the ICAI, in respect of transaction of real estate which are in substance similar to delivery of goods principles enunciated in Accounting Standard-9, revenue recognition are applied. As per the said guidance note, for recognition of revenue in case of real estate sales, it is necessary that all the conditions specified in paragraphs 10 & 11 of Accounting Standard-9, revenue recognition are satisfied. Further, as per Accounting Standard-9, in a transaction involving the sale of goods, performance should be regarded as being achieved when the following conditions have been fulfilled:

1. Seller has transferred to the buyer the **property in the goods** for a price.
2. All significant risk and rewards of ownership have been transferred to the buyer.
3. The seller retains no effective control of the goods transferred.
4. There is no significant uncertainty regarding the amount of the consideration that will be derived from sale of goods.

10.3 The guidance note on accounting for real estate transactions also states that the application of principles of AS-9 in respect of sale of goods requires recognition of revenue on completion of the transaction/activity when the revenue recognition process in respect of real estate project is completed. The completion of the revenue recognition process is usually identified when the following conditions are satisfied.

- a) The seller has transferred to the buyer all significant risk and reward of ownership and the seller retains no effective control

of the real estate to a degree usually associated with ownership.

- b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- c) No significant uncertainty exists regarding the amount of consideration that will be derived from the real estate sales; and
- d) It is not unreasonable to expect ultimate collection of the revenue from the buyer.

10.4 Thus, where the transfer of legal title is a condition precedent to the buyer taking on the significant risk and rewards of ownership and accepting significant completion of the seller's obligation, the revenue should not be recognized till such time legal title is validly transferred to the buyer. The Apex Court in the case of Babasheb DhondibaKute Vs. Radhu Vithoba Barde in SLP(C) No. 29462 of 2019 held that the conveyance by way of sale would take place only at the time of registration of a sale deed in accordance with section 17 of the Registration Act, 2008. Till the registration is made, there is no conveyance in the eye of law. Further, the Apex court in the case of Sanjay Sharma Vs. Kotak Mahindra Bank Ltd.& Ors.in SLP(C) No. 330/2017 has again reiterated that the ownership of immovable property does not get transferred until the sale deed is registered. Mere transfer of possession and payment of consideration will not transfer the ownership unless the sale deed is registered. Further, we are of the considered opinion that as per section 54 of the Transfer of Property Act, a Power of Attorney given to the developer is not an instrument of transfer in regard to any right, title and interest in immovable property. The power of attorney is creation of an agency whereby the granter authorizes the grantee to do the acts specified therein, on behalf of the grantor, which when

executed will be binding on the grantor as if done by him. Therefore, merely by giving power of attorney to the developer we cannot say that the land has been transferred to the developer. Even in the case of agreement to sale with the ultimate buyer, the section 54 of Transfer of Property Act makes it clear that a contract of sale, i.e. an agreement of sale does not, of itself, create any interest in or charge on such property. This is expressly declared in section 54 of Transfer of Property Act. Thus, it is very much clear that transfer of immovable property by way of sale can only be by a deed of conveyance (sale deed). In the absence of a deed of conveyance (duly stamped and registered as required under law), no right, title or interest in an immovable property can be transferred. The point of tax incidence for the assessee in our view would be the passing of risk and rewards of the ownership to the ultimate buyers upon registration of title deeds in favour of the buyer. The consideration that is earned by the landowner is on account of "transfer" to the ultimate customer and such transfer is occasioned on completion of the project and registration of the sale deed. Therefore, in our view the project completion method in accounting applied by the assessee is appropriate. We are of the considered opinion that merely by making advance booking of flats by the buyer, it cannot be assumed that any income accrued to the assessee. The advance received remain a liability till the sale transaction is completed by delivering possession and the sale deed is executed. Accordingly, there is no element of accrual of income in these circumstances as contended by AO.

10.5 In the present case the assessee has declared the revenue from the joint development agreement with M/s. Purvankara Projects Ltd in AY 2020-21 onwards as detailed below: -

AY	Project	Sales	Cost	Marketing & Other Expenses	Profit
2020-21	Purvankara	109,29,65,971/-	17,05,99,478/-	32,07,03,390/-	60,16,63,103/-
2021-22	Purvankara	92,09,30,848/-	13,73,41,513/-	8,64,65,683/-	69,71,23,652/-
2022-23	Purvankara	38,75,13,784/-	5,56,12,110/-	2,78,38,931/-	30,40,62,743/-
2023-24	Purvankara	12,44,38,856/-	1,86,15,052/-	1,18,22,943/-	9,40,00,861/-

10.6 Thus, from the above it is clear that the assessee had offered the income with respect to M/s. Purvankara Projects Ltd in subsequent years and taxing the same income related to the same project in AY 2016-17 would amount to double taxation, which is impermissible in law. Further, we are of the considered opinion that the entire exercise is tax neutral only and the only dispute was the point of taxation. The assessee had offered the sales consideration in subsequent years by following the project completion method, which is also one of the approved method under the law, which cannot be discarded. Further, the AO had also accepted these incomes declared by the assessee in subsequent years.

10.7 Thus, it is an admitted fact that assessee is only a landowner and through power of attorney gave license to the developer upon the land for the purpose of developing the land into flats and selling the same. The assessee as landowner in the present case is getting the consideration for sale of land held as stock in trade on account of entering into a JDA with M/s. Purvankara Projects Ltd., at a prescribed percentage of revenue as agreed upon on receipt and realization of the same from the ultimate purchasers of the development.

10.8 Further, we also take note of the fact that the assessee along with the developer jointly entered into an agreement to sale with the

prospective buyer which clearly establish that the land owner had not transferred/sold any land to the developer. The assessee being a landowner had given the license/permission for the construction/development to the developer who is a separate legal entity. The assessee will get his share for transfer of land only when the final sale deed will be executed with the prospective buyer, and therefore, the contention of the ld. D.R. that the advance received on account of agreement to sale based on percentage completion method cannot be accepted.

10.9 The revenue cannot thrust upon the assessee to adopt percentage completion method of accounting merely because the developer/builder/contractor was following the percentage completion method. The percentage completion method being one of the recognized method of construction contract is not applicable in the case of the assessee firm, being a land owner. Since the assessee has adopted the project completion method of recognition of revenue and has been consistently following over the years, the method of accounting is also not subject to any change by the revenue. In view of the above, as the assessee has in subsequent years offered the income on project completion method and this method of accounting has also been consistently followed by the assessee from year to year and therefore, we find no infirmity in the order of ld.CIT(A)-15, Bengaluru, which relied upon the decision of this co-ordinate bench of Bengaluru in the case of M/s. Trishul Buildtech and Infrastructure Pvt Ltd vs. DCIT (cited Supra).

11. In the result, the appeal of the revenue in ITA No.779/Bang/2025 in respect of respondent assessee M/s. Anushka Realty Inc. is dismissed.

12. The revenue has also filed an appeal in ITA No.780/Bang/2025 in respect of same assessment year 2016-17 which in our opinion is infructuous and accordingly dismissed.

13. The rest of revenue's appeals in ITA Nos.781 & 782/Bang/2025 related to assessment years 2018-19 & 2019-2020 are also dismissed on the same findings as in ITA No.779/Bang/2025.

14. The revenue's appeals in ITA Nos.759 to 761/Bang/2025 for the AYs 2016-17, 2018-19 & 2019-20 respectively in respect of respondent assessee M/s. Anushka Estates are also dismissed on the same findings as in ITA No.779/Bang/2025.

15. In the result, all the seven appeals filed by the revenue are dismissed.

Order pronounced in the open court on 19th Dec, 2025

Sd/-
(Prashant Maharishi)
Vice President

Sd/-
(Keshav Dubey)
JudicialMember

Bangalore,
Dated 19th Dec,2025.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.