

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक

IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER

AND

SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आयकर अपील सं/ITA No.428/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2018-2019)

Mr. Sandipan Ray, Flat No.8, Nirmala Plaza-B, Apartment, Forest Park, Bhubaneswar, Odisha	Vs	The ACIT (International Taxation), Bhubaneswar
PAN No. : AGQPR 0161 B		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Dinesh Gochhayat, CA
राजस्व की ओर से / Revenue by	:	Shri Sanjib Banerjee, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	24/02/2026
घोषणा की तारीख/Date of Pronouncement	:	24/02/2026

आदेश / O R D E R

Per Bench :

This is an appeal filed by the assessee against the order of the Ld.CIT(A), Kolkata-22, dated 16.01.2025 for the assessment year 2018-2019.

2. It was submitted by the Id. AR that the only issues in the assessee's appeal was in regard to an addition of Rs.16,11,000/- representing the interest in respect of buy-back of a flat purchased by the assessee from M/s.Vatika Ltd. It was the submission that the assessee had purchased a flat for a consideration of Rs.38,11,000/- from M/s. Vatika Limited. Under the buy-back agreement with M/s. Vatika Ltd, the assessee was to receive the entire principal amount of Rs.38,11,000/- and interest under the name of premium of Rs.26,00,000/-. Thus, the total consideration receivable by the assessee from the M/s.Vatika Limited was Rs.64,11,000/-. It was the submission that M/s. Vatika Limited had paid the assessee an amount of

Rs.48,00,000/- resulting in payment on account of interest of Rs.9,89,000/-
 However, M/s Vatika Ltd. had deducted TDS to an extent of Rs.2,60,000/-
 on the entire interest amount of Rs.26,00,000/-. As the assessee had not
 received the amount of Rs.16,11,000/-, the assessee had not offered the
 said amount to tax. The Ld. AR drew our attention to the email
 correspondence of M/s Vatika Ltd. with the assessee, which reads as
 follows:-

10/03/2025, 21:05 Yahoo Mail - Re: Refund amount for the Buy Back Scheme -- Sovereign Next Project -- Sandipan Ray

Can you let me know when this will be done.

Regards,
Sandipan

On 14 May 2018, at 15:28, Kunal Manchanda <kunalm Manchanda@vatikagroup.co.m> wrote:

Dear Mr Ray,

Greetings from Vatika!

This is in reference to the Cancellation of Unit No C-501 Sovereign Next taken under the Buy Back Scheme in Sovereign Next Project.

We would like to confirm you that we have already given you the Partial Principal amount of Rs 20.00 Lacs paid by you towards the bookings and the balance Principal amount of Rs 18.11 Lacs will be refunded to you by 15th June 2018 .

The Premium amount of Rs 23.40 Lacs will be refunded to you by 15th July 2018 . Please find below the calculations for the amount .

Client's own contribution	3,811,000	
Amount already refunded	2,000,000	
Balance Principal amount	1,811,000	Will be released by 15th June 2018
Premium amount	2,600,000	
Less TDS on premium @10%	260,000	
Net Premium to be released	2,34,0000	Will be released by 15th July 2018

Please do write back to us in case of any further assistance.

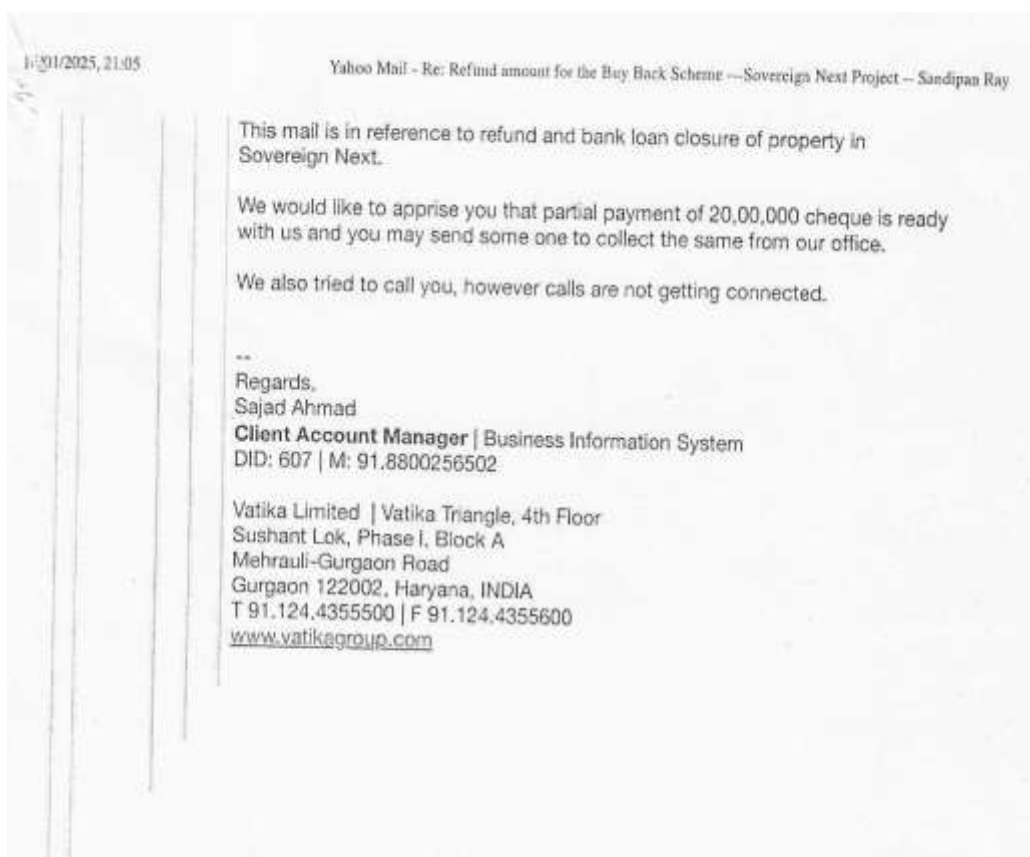
Regards
Kunal Manchanda

Vatika Limited | Vatika Triangle, 4th Floor
 Sushant Lok, Phase I, Block A
 Mehrauli-Gurgaon Road
 Gurgaon 122002, Haryana, INDIA
 T 91.124.4177777 | F 91.124.4177770
www.vatikagroup.com

On Tue, Mar 27, 2018 at 3:53 PM, Sajad Ahanger <sajadahanger@vatikagroup.com> wrote:

Dear Sir,

Greetings from Vatika !!



3. It was submission that as per the email from M/s Vatika Ltd. the initial payment was against the principal and the final payment was to be made against the interest/premium. It was the submission that as the entire interest/premium has not been received by the assessee, the assessee had offered only such interest/premium which has been received and the balance of Rs.16,11,000/- had not been offered to tax. It was further submission that the assessee has also not claimed the credit of TDS on the said premium in its return of income. It was the submission that the AO accepted the fact that the M/s Vatika Ltd. was to pay back to the assessee total amount of Rs.64,11,000/-. The AO has also accepted that the assessee has received Rs.48,00,000/-. It was the further submissions that the AO took the stand that the assessee had not offered the difference of Rs.16,11,000/- to tax. The assumption drawn by the AO was that the

assessee has received the entire premium/interest accepted by the M/s Vatika Limited and the amount of Rs.16,11,000/- represented part of the principal which was due to the assessee. It was submitted by the Ld.AR that the assessee has filed its dispute before the Consumer Forum and the matter is pending for resolution. It was the submission that what is due from the M/s. Vatika Limited was the part of the premium/interest portion and not the principal. It was the prayer that the assessee is an individual and the premium/interest would be offered to tax when the same is received by the assessee and the assessee is yet to receive the premium/interest of Rs.16,11,000/-. It was the prayer that the addition as made by the AO and as confirmed by the Ld.CIT(A) may be deleted.

4. In reply, the Ld.Sr DR submitted that the assessee has not provided all the details before the AO.

5. We have considered the rival submissions. A perusal of the page No.12 of the order of the Ld.CIT(A) clearly shows that all the documents had been submitted by the assessee and remand proceedings had also been done before the AO. The assessee, admittedly, is an individual. The email of M/s Vatika Limited to the assessee clearly shows that initially the principal would be repaid and then the interest. There is no reason to come to the conclusion that what has been received by the assessee is entirely of the premium/interest amount. There is no document also which gives such suggestion. The fact also remains that the assessee has not claimed the credit of TDS in respect of the premium/interest. This clearly shows that the assessee has not recognized that the entire interest has been received.

A perusal of the order AO also does not show that the AO has permitted the adjustment of the TDS in respect of the premium/interest, insofar as the TDS is liable to be adjusted only when the income is offered to tax. This being so, the addition as made by the AO and as confirmed by the Ld.CIT(A) of Rs.16,11,000/- stands deleted.

6. In the result, appeal of the assessee is allowed.

Order dictated and pronounced in the open court on 24/02/2026.

**Sd/-
(MADHUSUDAN SAWDIA)**

लेखा सदस्य/ ACCOUNTANT MEMBER

**Sd/-
(GEORGE MATHAN)**

न्यायिक सदस्य / JUDICIAL MEMBER

दिनांक Dated 24/02/2026

Prakash Kumar Mishra, Sr.P.S.

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant -
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack