Pr. Commissioner of Income Tax (Central), Pune v. Platinum Properties

Income Tax Appeal No. 151 of 2024

Income Tax Appeal No. 151 of 2024 (Bom HC, decided 27.03.2026) | 2026-03-27

Section 263 revision fails: verified project-completion treatment did not support taxing Spring-II on-money in AY 2014–15.

Income-tax Act, 1961: sections 133A, 142(1), 143(3), 260A and 263, Explanation 2(a)

High Court of Judicature at Bombay | 2-judge bench (Division Bench) | G. S. Kulkarni, J. | Aarti Sathe, J.

Assessment years: 2014-15

Corrected chronology; later-year payment not established

The survey was on 16 October 2014, assessment on 26 December 2016, revision on 27 March 2019 and ITAT order on 21 March 2023. The Court rejected revision for AY 2014–15; it did not establish that the disputed amount was actually taxed in AY 2015–16.

01 FACTS OF THE CASE

Platinum Properties followed the project-completion method. Following a survey on 16 October 2014, the revisional dispute concerned Rs.7,96,39,066 of Spring-II on-money out of total receipts of Rs.60,82,34,643; Rs.52,85,95,577 relating to Spring-I had been offered in AY 2013–14. For AY 2014–15, the AO assessed income on 26 December 2016 after scrutiny. The PCIT's 27 March 2019 order directed a fresh assessment, alleging failure to examine the balance receipts. The ITAT set aside revision on 21 March 2023, recording that the AO had sought and verified the Spring-II occupancy certificate, dated 11 December 2014, under section 142(1).

Source: Own paras.1–3; PDF pp.1–6

02 DISCUSSION BY THE HON'BLE COURT

The High Court found that the AO had properly verified the details and that Revenue had accepted the project-completion method. The PCIT had no supporting material to conclude that the disputed amount was taxable in AY 2014–15. Applying the conjunction of error and prejudice, and the supported-view principle discussed in Grasim Industries, Malabar Industrial, Max India and Gabriel India, it rejected substitution of the revisional authority's preference for the AO's sustainable conclusion. The quoted ITAT reasoning expressly treated the allegation of non-offering in AY 2015–16 as outside the revision dispute for AY 2014–15.

Source: Own paras.3(ix),8–11; PDF pp.5–8,11–17

03 JUDICIAL DECISION

The Court upheld the Tribunal's setting aside of the PCIT's revision order, finding the ITAT order reasoned and no substantial question of law requiring interference. Revenue's appeal was dismissed without costs.

Source: Own paras.11–12; PDF pp.16–17

04 OUTCOME / IN WHOSE FAVOUR

The section 263 revision for AY 2014–15 remained quashed. This was not a blanket exemption of on-money and not a determination that tax had been paid in a later year. Its scope is the unsupported revision of the assessment on the record and accepted accounting method before the Court.

Source: Own paras.8,11–12 and quoted ITAT para.10; PDF pp.8,11,16–17

05 EXPERT COMMENTS

Reconcile the project and the relevant year — Separate Spring-I receipts already offered from the disputed Spring-II balance. The certificate and accepted completion method explained why the Court rejected revision for AY 2014–15. Another case requires its own project allocation, completion evidence and accounting history; the receipt's description as on-money alone does not resolve its year of assessment.

Answer the asserted inquiry defect with the file — The Tribunal recorded a specific request for the occupancy certificate and its verification. Preserve the notice, reply and certificate rather than rely only on the final order's brevity. The holding concerns an examined, sustainable view; it does not make a routine question or an unexplained acceptance sufficient in every case.

Do not infer a later-year tax payment — Revenue alleged that the balance was not offered even in AY 2015–16. The quoted Tribunal reasoning did not adjudicate that allegation because the revision concerned AY 2014–15. Reconcile subsequent returns and assessments separately. Neither immunity from tax nor proof of later inclusion follows from this dismissal.

Require both a demonstrated error and prejudice — Explanation 2(a) was invoked, but the Court found verification and a permissible view on the facts. A revision challenge should confront the particular alleged omission and the material supporting the proposed year of taxability. A bare preference for more inquiry is different from identifying an unsustainable conclusion.

Source: Editorial analysis; own paras.3–12; PDF pp.3–17

SOURCE & VERIFICATION

Bombay High Court official digital judgment PDF - AKHB Cloud Repository

Seventeen-page judgment; own paragraphs 1–12, with lengthy ITAT and precedent quotations carrying separate numbering.

All 17 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Revision for AY 2014–15 under section 263, including the asserted lack-of-inquiry ground. Later-year taxation is not decided.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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