



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
ADIT(INT TAXN)-1,HYD

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To, RAJESH KUMAR JAYANTILAL KADAKIA 5-2-223 GOKUL, 3RD FLOOR ,OPP ANDHRA BANK DISTILLERY ROAD SECUNDERABAD 500003 ,Telangana India	
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PAN: AERPK6958C	AY: 2020-21	DIN & Order No : ITBA/AST/F/144C/2021-22/1040707524(1)	Dated: 14/03/2022
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Name of the assessee	RAJESH KUMAR JAYANTILAL KADAKIA
Address of the assessee	5-2-223 GOKUL, 3RD FLOOR ,OPP ANDHRA BANK DISTILLERY ROAD ,SECUNDERABAD 500003 ,Telangana,India
Status	INDIVIDUAL
Resident/Resident but not Ordinary resident/ Non-resident	
Date of Hearing	14/07/2021, 02/03/2022
Section/Sub-section under which assessment is made	143(3) of the I.T. Act, 1961

Draft Order u/s 144C of the Income-tax Act 1961

1. Shri Rajesh Kumar Jayantilal (hereinafter referred to as "assessee"), a Non-resident Individual, has filed Return of Income for the F.Y.2019-20 relevant to A.Y.2020-21.
2. The case was selected for scrutiny under CASS for following reasons. (i) Deductions from Income from Other sources. (ii) Income from other sources.
3. A notice u/s 143(2) of the I.T Act,1961 was issued to the assessee by the National e-assessment Center (NeAC). The case was received by this office on transfer from NeAC as the jurisdiction over the case vests with this office.
4. Subsequently, notices U/s 142(1) were issued from time to time and assessee submitted information as called for.
5. On verification of the computation sheet submitted by the assessee, it is noticed that during the year the assessee has accrued interest from CCDs held in SDNMKJ Realty Pvt. Ltd., to the tune of Rs.89,25,000/- with an investment of Rs.8,50,00,000/- and the assessee claimed interest expenditure of Rs.88,90,253/-.
6. On verification of the submissions made by the assessee, it is learnt that the assessee incurred interest expenditure on investment of Rs.10,00,00,000/-.

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAYKAR BHAWAN, OPPOSITE LB STADIUM, BASHEER BAGH, HYDERABAD, HYDERABAD, Telangana, 500004
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7. In this connection, a show cause notice was issued to assessee requesting to show cause as to why the interest expenditure claimed on additional investment of Rs.1,50,00,000/- to the tune of Rs.13,33,538/- should not be disallowed.
8. In this connection, the assessee furnished a reply stating that out of loan Rs.10,00,00,000/-, Rs.8,50,00,000/- has gone for investment in CQDs and balance Rs.1,50,00,000/- has gone for investment in other investment and perhaps has not earned any income during the F.Y.2019-20.
9. However, the assessee's claim is not acceptable because the assessee has failed to establish the nexus for the same.
10. As the assessee has failed to disclose the income from Other sources of Rs. 13,33,538 /-, the same is added as income from other sources in the hands of the assessee.
11. Accordingly, the assessment is completed by making the addition of Rs. 13,33,538 /- under the head Income from Other Sources :

Computation of Total Income:

1. Addition of Income under the head "Income from other sources " of Rs.13,33,538/-
2. Since, the assessee failed to file return of income disclosing the said income , the penalty proceedings **U/s 270A** of the IT Act will be initiated separately for under reporting and misreporting of income.

It is pertinent to mention here that as per provisions of section 144c of the act it is mandatory to pass draft assessment order in certain cases. However, by Finance Act, 2020, the provisions of section 144c of the act have been amended in order to

- i) expand the scope of the section, by defining eligible assessee under sub section 15(b)(ii) of section 144c of the act so as to include a non resident not being a company, or a foreign company
- ii) include cases, where the Assessing Officer proposed to make any variation which is prejudicial to the interest of the assessee, by amending sub section (1) of section 144c of the act.

Therefore, you are requested to furnish your acceptance for the proposed assessment within stipulated time from receipt of this proposed draft order. You are also requested to furnish your objections, if any before Dispute Resolution Committee with a copy marked to the undersigned.

MANGALI VENKATA RAMESH
ADIT(INT TAXN)-1,HYD

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refer Digital Signature at the bottom of the page)



This document is digitally signed

Signer: mangali venkata ramesh
Date: 14 March 2022 10:56
Location: HYDERABAD, India