

0/c 9  
Date : 07-06-2022

From:  
Rajesh kumar, Jayanthilal kadakia,  
5-2-223, Gokul, 3<sup>rd</sup> Floor,  
Opp: Andhra bank  
Distillery Road,  
Secunderabd - 500003.

To:  
ADIT (Int Taxes) I-Hyd.  
Aaykar Bhavan,  
Basheerbagh,  
Hyderabad,  
Telangana - 500004.

Respected Sir/Madam,

Sub: Reply to Notice u/s.274 r.w.s.270A – Own case - Assessment  
Year 2020-21, PAN - AERPK6958C.

Ref: Notice dated 25-05-2022 – DIN & Notice  
No. ITBA/PNL/S/270A/2022-23/1043165377(1).

In connection with the above the following is submitted for your kind consideration.

1. The Income returned is Rs.2,08,73,740/-.
2. The Income assessed u/s.143(3) is Rs.2,22,07,280/-.
3. Thus there has been addition of Rs.13,33,538/-.
4. The addition is for the reason that the claim of interest paid of Rs.88,90,253/- on the borrowings of Rs.10,00,00,000/- is restricted to Rs.75,56,715/-.
5. The borrowing to the extent of Rs.8,50,00,000/- has gone for investment in CCD's on which interest income of Rs. 89,25,000/- is received. The balance of borrowing of Rs 1,50,00,000/- got invested in other investments which might have not generated income directly.
6. A view is taken that there is no direct nexus of borrowings to the extent of Rs.1,50,00,000/- with income generating investment. The estimated proportionate interest there on of Rs 13,33,538/- has been disallowed and added to income returned. It may be noted that there is no failure on my part to disclose the Income from Other Sources as stated in the Assessment Order (para 10). The fact is that the income has been fully disclosed and the issue is with regard to claim of interest paid on borrowings.
7. The addition of Rs.13,33,538/- is not on account of failure to disclose the income but is due to excessive claim of deduction on the borrowing. The borrowings of Rs.10,00,00,000/- has been made at a time and therefore the

RECEIVED

20/6/22

आयकर अधिकारी (आर्.टी), हैदराबाद.  
Addl. CIT, Int. Tax, Hyderabad.

entire interest paid on such borrowings is claimed as deduction against the interest income earned.

8. Thus in effect there is an estimated disallowance of interest to the extent of Rs.13,33,538/- based on the proportionate workings.
9. The tax payable on Rs.13,33,538/- is worked out at Rs.6,01,174/-. The working are under:

As per my working I have to pay regular tax amount of Rs 5,56,646/- + Interest u/s.234D of Rs.44,528/- as per Asst. Order u/s.143(3). The workings of regular tax to be paid is as under

|                   | As per ITR filed | As per 143(1)(a) | As per 143(3) |
|-------------------|------------------|------------------|---------------|
| Total Income      | 2,08,73,740/-    | 2,08,73,740/-    | 2,22,07,280/- |
| Total Tax payable | 78,60,440/-      | 78,60,440/-      | 84,17,089/-   |

Thus the differential tax payable is Rs 5,56,649/-(i.e is 84,17,089/- (-) Rs 78,60,440/-).

10. The said amount is paid on 16/6/20... The copy of challan is enclosed herewith **Annexure – 1**.
11. Please note that as per the Demand Notice u/s.156 the tax Demand is NIL. Since in the tax workings vide order u/s.143(3) there is an apparent mistake. I have separately filed rectification petition u/s.154. The copy of the petition is attached herewith **Annexure – 2**.
12. I have paid the taxes on the addition made and not preferring an appeal before CIT (Appeals).
13. I am therefore separately filing a Petition in Form No.68 u/s.270AA of the Act, requesting for immunity from imposition of penalty u/s.270A of the Act.

Kindly consider the same.

Yours faithfully,

(Rajesh J Kadakia).

Annexure-II

# CHALLAN RECEIPT

|                      |            |                                                                                                    |                               |                          |  |
|----------------------|------------|----------------------------------------------------------------------------------------------------|-------------------------------|--------------------------|--|
| TAX Applicable       |            | (0021)INCOME-TAX (OTHER THAN COMPANIES)                                                            |                               | CHALLAN NO./ ITNS<br>280 |  |
| AN                   | AERPK6958C | Assessment Year                                                                                    |                               | 2020-21                  |  |
| Full Name            |            | RAJESH KUMAR JAYANTILAL KADAKIA                                                                    |                               |                          |  |
| Address              |            | H NO 5 2 223<br>HYDERBASTI OPP ANDHRA BANK HYD<br>HYDERABAD 02 Pin : 500003                        |                               |                          |  |
| Type OF Payment      |            | (400)TAX ON REGULAR ASSESSMENT                                                                     |                               |                          |  |
| Signature of Payment |            | N/A                                                                                                |                               |                          |  |
| DETAILS OF PAYMENT   |            | Paid in Cash / Debit to A/c / Cheque No.:                                                          |                               | INTERNET                 |  |
| TAX                  | 601174     | Drawn on                                                                                           | Internet Banking through IDBI |                          |  |
| Surcharge            | 0          | <b>IDBI BANK Ltd.</b><br>IDBI Building, Sector 11, CBD Belapur, Navi<br>Mumbai<br>BSR Code:6910333 |                               |                          |  |
| Education Cess       | 0          |                                                                                                    |                               |                          |  |
| Interest             | 0          |                                                                                                    |                               |                          |  |
| Penalty              | 0          |                                                                                                    |                               |                          |  |
| Others               | 0          |                                                                                                    |                               |                          |  |
| Under sec. 234E      | 0          |                                                                                                    |                               |                          |  |
| Total                | 601174     | Date Of Tender                                                                                     | 16062022                      |                          |  |
|                      |            | Realization Date                                                                                   | 16062022                      |                          |  |
|                      |            | Challan Serial No.                                                                                 | 10926                         |                          |  |

Amount in Words: Rupees Six Lacs One Thousand One Hundred Seventy-Four Rupees Only

| Taxpayers Counterfoil |                                 | Bank Seal                                                                                          |            |
|-----------------------|---------------------------------|----------------------------------------------------------------------------------------------------|------------|
| AN                    | AERPK6958C                      | Payment Status                                                                                     | SUCCESSFUL |
| Received from         | RAJESH KUMAR JAYANTILAL KADAKIA | <b>IDBI BANK Ltd.</b><br>IDBI Building, Sector 11, CBD Belapur, Navi<br>Mumbai<br>BSR Code:6910333 |            |
| For Rs :              | 601174 /-                       |                                                                                                    |            |
| Drawn on              | Internet Banking Through IDBI   |                                                                                                    |            |
| On Account of         | CHALLAN NO. / ITNS 280          |                                                                                                    |            |
| Type of Payment       | (400)TAX ON REGULAR ASSESSMENT  |                                                                                                    |            |
| Signature of Payment  | N/A                             | Date Of Tender                                                                                     | 16062022   |
| Assessment            | 2020-21                         | Realization Date                                                                                   | 16062022   |