Date: 22/08/2023
Hyderabad

To
The Assessment Unit,
Income Tax Department

From
Modi Reality Genome Valley LLP
5-4-187/3&4, 3rd Floor, Soham Mansion
M G Road
Secunderabad - 500003.

Respected Sir/Madam,

**Sub: Submission of information in connection with the assessment proceedings under section 143(3) – AY 2022-23 - PAN: ABFFM3063P – in our own case – reg**

**Ref: 1. Your notice under section 143(2) dated 02/06/2023 vide DIN ITBA/AST/S/143(2)/2023-24/1053525535(1)**
**2. Your notice under section 142(1) dated 01/08/2023 vide DIN ITBA/AST/F/142(1)/2023-24/1054771875(1)**

We acknowledge the receipt of the above said notices. In response to the said notices, we would like to make the following submissions:

1. The assessee has filed its return of income for AY 2022-23 on 20/10/2022 vide acknowledgement number 737273421201022 admitting a total income of Rs 3,54,030/- after claiming a deduction of Rs 16,23,696/- under section 80-IBA.

2. **Note on nature of business**

   The assessee is engaged in the business of real estate development. During the year under consideration the assessee has predominantly undertaken development of a residential apartment housing project namely Bloomdale Residency at Genome Valley, Shamirpet Mandal, Medchal Malkajgiri district.

   Apart from the above project, the assessee also owns a parcel of land on which it intends to do carryout developmental activities (Housing project) in future. Certain small expenses are incurred during the year towards Housing project which have been added to work-in-progress. All other items of incomes and expenses relate to the apartment project namely Bloomdale Residency.

   The project satisfies all conditions as laid down in section 80-IBA related to deductions in respect of profits from housing projects and accordingly the assessee has claimed deduction under the said section.

3. **Copy of Financial Statements and Computation of income**

   Copy of financial statements is attached herewith as **Annexure-1**. Copy of Computation of income is attached herewith as **Annexure-2**. Provisions of tax audit are not applicable to the assessee during the year. The assessee has paid Alternate Minimum Tax (AMT) under the provisions of Section 115JC and accordingly Form No 29C was filed. Copy of Form 29C is attached herewith as **Annexure-3**.

4. **Details of bank accounts**

The assessee hold following operational bank accounts during the year:

| S.No | Name of the bank | Branch Name | Account Number | Type of Account | Copy attached |
|---|---|---|---|---|---|
| 1 | Kotak Mahindra Bank | Somajiguda | 2013751177 | Current Account | Annexure 4A |
| 2 | Yes Bank | Secunderabad | 009763700002255 | Current Account | Annexure 4B |
| 3 | IndusInd Bank | Secunderabad | 250001021969 | Collection Account | Annexure 4C |
| 4 | IndusInd Bank | Secunderabad | 250130012074 | Rera Account | Annexure 4D |
| 5 | IndusInd Bank | Secunderabad | 259502288200 | Escrow Account | Annexure 4E |

5. **Submissions in relation to claim of deduction under section 80-IBA and its applicability**

During the year under consideration the assessee has undertaken development of a housing project which fulfils the conditions as laid down in section 80-IBA and accordingly has claimed a deduction of Rs16,23,696/- under the said section. Section 80-IBA(1) provides for allowability of such deduction which is reproduced below for sake of convenience:

> "Where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to the provisions of this section, be allowed, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business."

Section 80-IBA(2) provides for the conditions to be fulfilled for allowability of such deduction. A summary of conditions to be fulfilled and its satisfaction for confirming applicability is as given in **Annexure-5**.

6. Hope you find the above information in order. In case you may require any further information, we shall provide the same forthwith.

**Thanking You.**
**Yours truly**

**For Modi Reality Genome Valley LLP**

**Authorised Signatory**