

Shri Hiteshkumar Mohanlal Desai
ITA No. 962/Ind/2025 – AY 2018-19



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT



1.	PAN	AKCPD8565F
2.	Name of the assessee	PRAKASHCHANDRA MOHANLAL DESAI
3.	Address of the assessee	247/2 DUNGRI FALIYA, KACHIGAM NANI DAMAN, DAMAN 396210, Daman and Diu (UT), India
4.	Assessment Year	2018-19
5.	Status	INDIVIDUAL
6.	Residential Status	Resident
7.	Date of service of Notice under section 143(2) of the Income-tax Act	As per Order Sheet
8.	Date(s) of issue of Notice(s) under section 142(1) of the Income-tax Act	13/09/2022
9.	Order passed under section	147 read with section 144B of the Income-tax Act
10.	Date of Order	03/03/2023
11.	DIN	ITBA/AST/S/147/2022-23/1050379783(1)

ASSESSMENT ORDER

1.Facts of the Case:-

The assessee is an individual has not filed return of income even though he had income chargeable to tax for the assessment year 2018-19. The case was selected for scrutiny assessment under section 147 of I.T Act, 1961 for the following one reason:

The assessee has executed a Development agreement jointly along with other three brother on 29.12.2017 with M/s. Param Corporation for development of a land bearing area 12363sq mtr in lieu of consideration value of Rs. 24 crore. The land was given for development and sale after construction. In this connection it is established that the assessee along with three brother have received Rs. 25,00,000/- each which is well above the taxable limit. In view of the it, he is requested to state reason of non-filing of return of income thereof.

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ITA No. 962/Ind/2025 – AY 2018-19



PCB/MSF - PRAGASHI HANDEA MOHANLAL DESAI
A.Y. 2018-19
ITDA/MSF/14.03/22-23/103037573/11

In respect of information, the assessee was issued notice u/s.142(1) of I.T Act, 1961 on 13.09.2022 requesting to submit details and nature of income with supporting documentary evidences. In response, the assessee submitted his Reply along with Computation of Income, Return of Income filed in response to notice u/s.148 and Bank Account Statements.

On perusal of the submission of the assessee, it is found that the assessee is an individual has entered into an agreement on 29.12.2017 with M/s. Param Corporation for development and construction of residential tower on his parental property. In this regard, he submitted the copy of agreement. As per the agreement, total deal finalized at Rs. 24 crore out of which the assessee share is Rs. 6 crore. The important portion of the submission of assessee relating to payment method is reproduced as under:

The condition stated in clause 7.a of the agreement indicates that agreed consideration of Rs. 24 crore is to be paid by the Developer on or before execution of the sale deeds for 75% of the total flats of Building No. 'A' to 'G', neither the 75% of the booking in building – A to G took place during the year nor the sale deeds were executed and therefore, no income was accrued in the year under reference i.e. A.Y 2018-19

However, in the return of income filed by me in response to notice u/s.148, I have considered the receipts of Rs. 25 lacs as taxable income even though the same has not accrued as per above.

From the above submission, it is seen that the assessee has accepted the mistake and filed return of income in response to notice u/s.148 of I.T Act, 1961 wherein he declares capital gain of Rs. 23,47,626/- and income from other sources of Rs. 1,44,191/-.

In view of above discussion, no inference is drawn in this instant case.

4. Table of variations :

Sl No	Description	Amount (in INR)
1	Income as per Return of Income filed	24,81,820

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ITA No. 962/Ind/2025 – AY 2018-19



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT



1.	PAN	AKCPD8571H
2.	Name of the assessee	RAKESHKUMAR MOHANLAL DESAI
3.	Address of the assessee	AT KACHIGAM , NEAR HELLO GARDEN DUNGRI FALIA, DAMAN 396210, Daman and Diu (UT), India
4.	Assessment Year	2018-19
5.	Status	INDIVIDUAL
6.	Residential Status	Resident
7.	Date of service of Notice under section 143(2) of the Income-tax Act	As per Order Sheet
8.	Date(s) of issue of Notice(s) under section 142(1) of the Income-tax Act	20/10/2022
9.	Order passed under section	147 read with section 144B of the Income-tax Act
10.	Date of Order	08/02/2023
11.	DIN	ITBA/AST/B/147/2022-23/1049530701(1)

ASSESSMENT ORDER

1. Facts of the case in brief:

The assessee RAKESHKUMAR MOHANLAL DESAI (PAN: AKCPD8571H), a Resident Individual had not filed his return of income for A.Y.2018-19. It was seen that the assessee had received Rs.25 lakhs from M/s. Param Corporation during the F.Y.2017-18 relevant to A.Y.2018-19. A Show Cause Notice u/s. 148A(b) was issued to the assessee and an order u/s.148A(d) was passed on 16.03.2022 by the Income-tax Officer, Daman Ward, Daman after obtaining prior approval. A Notice u/s.146 reopening the case for A.Y.2018-19 was issued by the Income-tax Officer, Daman Ward, Daman on 22.03.2022.

The case was re- opened for scrutiny assessment for the following reasons:

In this case, the assessee along with his three brothers, viz. Shri Bakulkumar Mohanlal Desai, Shri Prakashchandra Desai and Shri Hiteshkumar Mohanlal Desai have executed a Development Agreement dated 29.12.2017 with M/s.Param Corporation [AGCPB9037A]

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ITA No. 962/Ind/2025 – AY 2018-19



AKCPD8571H RAKESHKUMAR MOHANLAL DESAI
A.Y. 2018-19
(TBA/ASTS/1473022/23/1048550/0311)

claimed by you for F.Y.2017-18

4. Details of Interest Income earned during the year claimed as Exempt income With respect to the purchase of immovable property during the year under consideration.

Vide reply dated 01.11.2022, the assessee stated that he has not carried out any business activities during the Fin Year 2017-18. He received only Rs 25 lakhs which he has shown in the Return of Income in response to notice u/s 148 of the Income-tax Act and paid taxes accordingly.

1. 1. Summary of information/evidence collected which proposed to be used against it (attach documents if required).

The assessee has offered the sum received of Rs 25 lakhs as income and filed Return of Income in response to notice u/s 148. No adverse inference has been drawn in this case.

1. 1. Reasons for inference drawn that no variation is required on this issue.

The assessee RAKESHKUMAR MOHANLAL DESAI (PAN: AKCPD8571H), a Resident Individual had not filed his return of income for A.Y.2018-19. The assessee had received Rs.25 lakhs from M/s. Param Corporation during the F.Y.2017-18 relevant to A.Y.2018-19. A Show Cause Notice u/s.148A(b) was issued to the assessee and an order u/s.148A(d) was passed on 16.03.2022 by the Income-tax Officer, Daman Ward, Daman. A Notice u/s.148 reopening the case for A.Y.2018-19 was issued by the Income-tax Officer, Daman Ward, Daman on 22.03.2022.

In response to the Notice u/s.148 dated 22.03.2022, the assessee filed his Return of income on 18.04.2022. Notice u/s.143(2) dated 28.06.2022 was sent to the assessee. Assessee acknowledged for receiving it. Notice u/s.142(1) dated 20.10.2022 was sent to the assessee. The assessee vide reply dated 15.07.2022, 26.09.2022 and 01.11.2022 furnished his submissions for details called for as below:

Vide his reply dated 12.07.2022, the assessee had replied that he along with his brothers were planning to sale the land situated at Village Kachigam Nani Daman measuring 12363 sq feet. Since the sale did not materialize, they agreed for a development agreement with M/s. Param Corporation for development and construction of residential towers through a development agreement dated 29.12.2017.

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ITA No. 962/Ind/2025 – AY 2018-19



HITESHKUMAR MOHANLAL DESAI
A.Y. 2018-19
(TAN/EST/1472529-23/10482070111)

As part of this agreement they had to received Rs.24 crores out of which the assessee had to receive Rs.6 crores as his share. Condition as per agreement indicates transfer of Rs.24 crores including Rs.6 crore to the assessee on or before the execution of Sale deeds. But neither the sale deeds were executed nor he received any money as mentioned in agreement. However in the Return of income filed u/s.148 the assessee has offered the sum of Rs 25 lakhs received and paid taxes on it.

The assessee in his reply dated 26.09.2022 enclosed computation of income and bank statement.

As per computation of income Income from LTCG is Rs.23,47,626/- and total tax payable including interest came to Rs.4,18,240/- and the assessee had paid Rs.9,10,000/- as Self Assessment during the F.Y.2018-19. The assessee other than Capital Gains has shown Rs.4,584/- as bank interest and has claimed the same as exemption u/s.80TTA.

On perusal of the documents furnished and verification of the details it is concluded that no modification is required to the income returned by the assessee and processed under section 143(1) of the Act.

However, as the assessee has filed his Return of Income only after issue of notice u/s 148, there has been an underreporting of income. Hence, penalty under section 270A is initiated for underreporting of income.

Issue Demand Notice Accordingly.

Assessment Unit
Income Tax Department

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ITA No. 962/Ind/2025 – AY 2018-19



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT



1.	PAN	ABHPD0046R
2.	Name of the assessee	BAKULKUMAR MOHANLAL DESAI
3.	Address of the assessee	HOUSE NO.247-2 DUNGARI FALIA, KACHIGAM DAMAN, DAMAN 396210, Daman and Diu (UT), India
4.	Assessment Year	2018-19
5.	Status	INDIVIDUAL
6.	Residential Status	Resident
7.	Date of service of Notice under section 143(2) of the Income-tax Act	As per Order Sheet
8.	Date(s) of issue of Notice(s) under section 142(1) of the Income-tax Act	13/11/2022
9.	Order passed under section	147 read with section 144B of the Income-tax Act
10.	Date of Order	22/03/2023
11.	DIN	ITBA/AST/S/147/2022-23/1051106031(1)

ASSESSMENT ORDER

1. The fact of the case in brief:-

Reason:- There is information with the department that assessee along with his three brothers, viz. Shri Rakesh Mohanlal Desai, Shri Prakashchandra Desai and Shri Hiteshkumar Mohanlal Desai have executed a Development Agreement dated 29.12.2017 with M/s.Param Corporation [AGCPB9037A] transferring thereby right to develop the NA land ad12363 sq. Meter, owned by the assessee, jointly with his three brothers.

Type of case:- The case has been re-opened under the provision of section 147 of the Income-tax Act, 1961 after obtaining approval from the Prescribed Authority under the E-assessment scheme, 2019.

Background:- There was a definite information that the assessee received amounting to Rs. 25 Lakhs during the year under consideration in lieu of sale of the said property from M/s Param Corporation and remain failed to file his return of income for the year under consideration i.e. A.Y. 2018-19. The information has been populated in the Insight Portal under the category of High Risk CRU/VRU Cases. As per CBDT Instruction No.48 dated 24.02.22 and Instruction No.22 dated 07.02.22 respectively, these cases to be processed for reopening u/s.146 through Insight and ITBA portal after

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reproduced as under:-

"In connection with on going assessment proceeding in your case for the A.Y. 2018-19, you are requested to furnish the following:-

- (i) Breakup of payment received in lieu of sale of the immovable property, datewise and yearwise. (ii) Copy of bank account statements highlighting the payments received in lieu of sale of the said immovable property.
- (iii) Copy of sale deed of the said immovable property executed by you.
- (iv) Copy of original purchase deed and details of 01/04/1981 price, if any.
- (v) Computation of income for the years under consideration in which payments were received in lieu of sale of the said immovable property. (vi) Evidence of tax paid LTCG/STCG in lieu of sale of the said immovable property."

In response to the said letter the assessee complied on 17/03/2023 and submitted details of amount received against transfer of immovable property, copy of bank account statement highlighting the transactions, amounts received in lieu of sale consideration received of the said property, copy of valuation report of the said property, valuation done by registered valuer, copy of return of income furnished by the assessee from A.Y 2019-20 to A.Y 2022-23 along with computation of income for the years under consideration,

On perusal of computation of income it is evident that the assessee shown long term capital gain amounting to Rs. 70,42,876/- and paid income tax amounting to Rs. 18,23,923/- for the A.Y 2019-20, long term capital gain amounting to Rs. 19,72,005/- and paid income tax amounting to Rs. 3,97,793/- for the A.Y 2020-21, for the A.Y 2021-22 long term capital gain amounting to Rs. 1,03,99,980/- and paid income-tax amounting to Rs. 24,19,111/-, for the A.Y 2022-23 long term capital gain amounting to Rs. 1,01,38,221/- and paid tax amounting to Rs. 25,12,257/-.

Some relevant part of the reply of the assessee is reproduced as under:-

"We have not executed any sale deed for the said immovable property. The property has been transferred by way of Joint Development Agreement copy of which has been already provided in my earlier submissions. The said immovable property was our ancestral land and therefore there is no purchase deed for said land. Further the capital gain indexation for A.Y 2018-19 is to be considered from base price of 01/04/2001 as per section 55 of the Income Tax Act."

3.4 Reasons for inference drawn that no variation is required on this issue:- The assessee admitted the concealment of income for the year under consideration and accordingly filed his return of income and paid taxes.

4. In case where variation is proposed:- Not applicable.

5. Final Computation of taxable income :-

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