

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES: I : NEW DELHI

BEFORE SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER
AND
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER

ITA No.2078/Del/2022
Assessment Year: 2016-17

DCIT,
Circle 7(1),
New Delhi.

Vs DLF Urban Pvt. Ltd.,
15, Shivaji Marg,
New Delhi – 110 015

PAN: AAFCD3019C

ITA No.1962/Del/2022
Assessment Year: 2016-17

DLF Urban Pvt. Ltd.,
15, Shivaji Marg,
New Delhi – 110 015

Vs. DCIT,
Circle 7(1),
New Delhi.

PAN: AAFCD3019C

(Appellants)

(Respondents)

Assessee by : Shri R.S. Singhvi,
Shri Satyajeet Goel &
Shri Rajat Garg, CAs.
Revenue by : Shri Rajesh Kumar, CIT, DR
Date of Hearing : 23.02.2024
Date of Pronouncement : 08.04.2024

CORRIGENDUM

PER ANUBHAV SHARMA, JM:

It has come to the knowledge that in the form 36 appeal set, the copy of order of First Appellate Authority, i.e., CIT(A), filed by the appellant Revenue

Department, is of DLF Midtown Pvt. Ltd. which is another entity, of group, where in identical issue were raised and contested and, thus, in the order passed on 8/4/2024 in case of present assessee, while reproducing certain facts, from the order of the Id. CIT(A), discrepancy has crept in with regard to certain figures and with regard to the name of the Chartered Accountant firm which had verified Form 3CEB.

2. Accordingly, this Corrigendum is issued in regard to the following facts incorrectly incorporated, in the relevant pages and paras of the Tribunal order in ITA No.2078/Del/2022:-

Relevant page and para of the order	Corrected para
<p>Page 2 Para 2.1</p> <p>“2.1 The Ld.AO passed the Draft Order u/s 143(3) r.w.s. 144C of the Act, on 25.12.2019 wherein the income of the appellant company was proposed to be assessed at a total income of Rs.3,28,59,57,780/- as against returned loss of Rs.90,47,202/-, thereby proposing an addition of Rs.3,28,59,57,780 / - . . .”</p>	<p>Page 2 Para 2.1</p> <p>“2.1 The Ld.AO passed the Draft Order u/s 143(3) r.w.s. 144C of the Act, on 25.12.2019 wherein the income of the appellant company was proposed to be assessed at a total income of Rs.3,28,59,57,780/- as against returned loss of Rs.90,47,202/-, thereby proposing an addition of Rs.3,29,50,04,981/-....”</p>
<p>Page 5-6 Para 3.1</p> <p>3.1 The case of Revenue and</p>	<p>Page 5-6 Para 3.1</p> <p>3.1 The case of Revenue and</p>

<p>assessee need to be first understood to adjudicate the aforesaid grounds. The appellant company, a wholly owned subsidiary of DLF Home Developers Ltd (DHDL), was incorporated with the main object to engage in the business of construction, development, and sale of integrated townships and residential complexes. The case of assessee is that it approached many investors for evincing interest in developing a project in Moti Nagar situated in New Delhi. Thereupon, Singapore government through its arm M/s Reco Moti Pte Ltd. (RMPL) (a Singapore Government entity) acquired a controlling stake of 51% in the appellant company based on a valuation report by Cushman & Wakefield, an internationally recognized real estate company. The appellant company entered into an Agreement with DLF Home Developers Ltd. on 21.12.2015 for purchase of irrevocable, absolute and unfettered rights in respect of land parcel measuring 19.06 acres (77,133.0754 square meters) situated</p>	<p>assessee need to be first understood to adjudicate the aforesaid grounds. The appellant company, a wholly owned subsidiary of DLF Home Developers Ltd (DHDL), was incorporated with the main object to engage in the business of construction, development, and sale of integrated townships and residential complexes. The case of assessee is that it approached many investors for evincing interest in developing a project in Moti Nagar situated in New Delhi. Thereupon, Singapore government through its arm M/s Reco Moti Pte Ltd. (RMPL) (a Singapore Government entity) acquired a controlling stake of 51% in the appellant company based on a valuation report by Cushman & Wakefield, an internationally recognized real estate company. The appellant company entered into an Agreement with DLF Home Developers Ltd. on 21.12.2015 for purchase of irrevocable, absolute and unfettered rights in respect of land parcel measuring 6.79 acres (27,460 square meters) situated at Shivaji</p>
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<p>at Shivaji Marg, Moti Nagar, New Delhi for development of planned residential project at Shivaji Marg. On the basis of Valuation Report dated 28.08.2015 of M/s Cushman Wakefield (C&W) (hereinafter referred as Valuer') for valuing the project, the land of the project was valued at Rs. 27831 Million rupees. The valuation was made on two methods:-</p> <p>(a) Sales Comparable Method = 27803 Million Rupees (b) Discounted Cashflow Method = 27859 Million Rupees Average of (a) & (b) = 27831 Million Rupees</p>	<p>Marg, Moti Nagar, New Delhi for development of planned residential project at Shivaji Marg. On the basis of Valuation Report dated 28.08.2015 of M/s Cushman Wakefield (C&W) (here in after refered as Valuer') for valuing the project, the land of the project was valued at Rs. 9310 Million rupees. The valuation was made on two methods:-</p> <p>(a) Sales Comparable Method = 9340 Million Rupees (b) Discounted Cashflow Method = 9279 Million Rupees Average of (a) & (b) = 9310 Million Rupees</p>
<p>Page 7 Para 5</p> <p>5. In response, the appellant asserts that RMPL appointed M/s Cushman & Wakefield as an Independent Valuer, which is an International Real Estate Company having its office at U.S.A. On the basis of the Valuation Report by M/s Cushman and Wakefield the property has been valued at 931</p>	<p>Page 7 Para 5</p> <p>5. In response, the appellant asserts that RMPL appointed M/s Cushman & Wakefield as an Independent Valuer, which is an International Real Estate Company having its office at U.S.A. On the basis of the Valuation Report by M/s Cushman and Wakefield the property has been valued at 9310</p>

<p>Million Rupees. After making valuation, it has been agreed between the assessee and RMPL to enter into an agreement for transfer of development rights from M/s DHDL at a consideration of Rs.925 Cr. The Stamp Value Authority, which is Delhi Government, charged stamp duty from the assessee company on transfer of development rights amounting to Rs.55.50 Crs which is charged on Rs.925 Crs and not on the Circle Value of Rs. 192.57 Crs. Therefore, for the purposes of Sec. 50C and 43CA the assessable value is Rs.925 Crs.</p>	<p>Million Rupees. After making valuation, it has been agreed between the assessee and RMPL to enter into an agreement for transfer of development rights from M/s DHDL at a consideration of Rs.925 Cr. The Stamp Value Authority, which is Delhi Government, charged stamp duty from the assessee company on transfer of development rights amounting to Rs.55.50 Crs which is charged on Rs.925 Crs and not on the Circle Value of Rs.385.13 Crs. Therefore, for the purposes of Sec. 50C and 43CA the assessable value is Rs.925 Crs.</p>
<p>Page 39 para 15.1 “15.1 In this context the Ld. DR has pointed out that in serial no.1 of form 3CEB, it is mentioned “I/We for Chartered Accountant who has/have verified, the information received from</p>	<p>Page 39 para 15.1 “15.1 In this context the Ld. DR has pointed out that in serial no.1 of form 3CEB, it is mentioned “I/We for Chartered Accountant who has/have verified the information received from</p>

<p>the assessee regarding international transactions.” Ld, DR has submitted that the accountant has to delete either I/We, whichever is not applicable. In the case of assessee, form 3CEB (page no. 183 to 190 of PB) has been verified by one Mr. Amit Gupta on behalf of S.R. Batliboi & Company LLP. Also the word used in the first paragraph is “WE” which means that a team of Chartered Accountant on behalf of Price Waterhouse and company has verified the form 3CEB of the assessee company, which means that the information along with the documents has been verified....”</p>	<p>the assessee regarding international transactions.” Ld, DR has submitted that the accountant has to delete either I/We, whichever is not applicable. In the case of assessee, form 3CEB (page no. 183 to 190 of PB) has been verified by one Mr. Amit Gupta on behalf of S.R. Batliboi & Company LLP. Also the word used in the first paragraph is “WE” which means that a team of Chartered Accountant on behalf of S.R. Batliboi & Company LLP has verified the form 3CEB of the assessee company, which means that the information along with the documents has been verified....”</p>
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3. The facts mentioned in the column no.2 ‘corrected para’ above shall be considered to be part of the order.

Sd/-
(SHAMIM YAHYA)
ACCOUNTANT MEMBER

Sd/-
(ANUBHAV SHARMA)
JUDICIAL MEMBER

Dated: 08th April, 2024.

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Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi