

Shri. Yeshwant U. Chavan, I. R. S.  
Asst. Commissioner of Income Tax,  
Circle 1 (2), Hyderabad.

आई. टी. एन. एस.-65  
I. T. N. S.-65

WEALTH TAX विभाग  
INCOME TAX DEPARTMENT

1. निर्धारित का नाम **M/s. M&M. Associates**  
Name of assessee
2. पता **1-10-72/2/3**  
Address **Begumpet,**  
**Hyderabad - 500 016.**
3. स्वा. नं. सं./सा. सू. रं सं.  
P.A. N./G. I. R. No. **M-622/AC 1 (2)**
4. जिला/वा. ई./समूह  
District/Ward/Circle **AC 1 (2)/HYD**
5. स्थिति  
Status **A.O.P. (TRUST)**
  - (क) यदि हि. अ. कु. है तो क्या कर की उच्च दर लागू होती है?  
(a) If HUF, is higher rate of tax applicable?
  - (ख) यदि कम्पनी है तो  
(b) If company, whether
    - (i) देशी/अन्य  
Domestic/Others
    - (ii) जनता का पर्याप्त रूप से हितबद्ध/जनता का पर्याप्त रूप से हितबद्ध नहीं  
Public substantially interested/Public not substantially interested.
    - (iii) औद्योगिक/गैर औद्योगिक  
Industrial/Non-industrial
    - (iv) धारा 108/धारा 108 से निम्न  
Section 108/other than section 108
6. निर्धारण वर्ष **1988-89**  
Assessment year
7. क्या निवासी/निवासी किन्तु प्रायुणी तीर पर निवासी नहीं/अनिवासी  
Whether Resident/Resident but not Ordinarily resident/Non-resident.  
**Resident**
8. लेखा विधि  
Method of accounting **-**
9. पूर्व वर्ष  
Previous year. **31/07/1987**
10. कारबार/कारबारों की प्रकृति  
Nature of Business(es). **-**
11. सुनवाई की तारीख/तारीखें  
Date(s) of hearing **-**
12. आदेश की तारीख  
Date of order **31/03/1992**
13. किस धारा तथा उपधारा के अधीन निर्धारण किया गया  
Section and sub-section under which the assessment is made. **16 (5)**

निर्धारण आदेश  
ASSESSMENT ORDER

Notice U/S 17(1) was issued on 27/03/89 and served on the assessee on 15/06/89. In response to notice Shri Ajay Mehta CA appeared on behalf of the assessee on 26/03/92 and filed a letter dated 26/03/92.

As per the letter the assessee Trust has negative wealth as per Balance Sheet already filed alongwith the IIT. Returns for relevant years. However no returns was filed by the assessee hence the assessment is completed ex-parte, on merits.

P.T.O.

In view of the information available the net taxable wealth is computed as under.

Net taxable wealth : NIL

Closed as 'ND' :

*Yeshwant U. Chavan*

(Yeshwant U. Chavan)  
Asst. Commissioner of Incometax,  
Circle 1 (2) :: Hyderabad.

Copy to the assessee.

**FORM No. 35**

(Vide rule 45 of Income-tax Rules, 1962)

**APPEAL TO THE DEPUTY COMMISSIONER (APPEALS) OF INCOME-TAX AND COMMISSIONER OF INCOME-TAX (APPEALS)**

§No. .... of ..... 19.....19.....

Name and address of the Appellant.

**M & M Associates,  
1-10-72/2/3, Road Builders  
Begumpet, Hyderabad - 500 016.**

Permanent Account Number.

**M-622/AE 1 (2) NYD**

†Assessment year in connection with which the appeal is preferred.

**1988-89**

Assessing Officer/Valuation Officer passing the order appealed against.

**Asst. Commissioner of Income-tax  
Circle 1 (2)/NYD**

Section and sub-section of the Income-tax Act, 1961, under which the Assessing Officer / Valuation Officer passed the order appealed against and the date of such order.

**143 (3)**

Where the appeal relates to any tax deducted under section 195(1), the date of payment of the tax.

**- N/A -**

Where the appeal relates to any assessment or penalty, the date of service of the relevant notice of demand.

**06-04-1991**

In any other case, the date of service of the intimation of the order appealed against.

**- N/A -**

Section and clause of the Income-Tax Act, 1961, under which the appeal is preferred.

**246**

Where a return has been filed by the appellant for the assessment year in connection with which the appeal is preferred, whether tax due on the Income returned has been paid in full. (If the answer is in the affirmative, give details of date of payment and amount paid).

**Advance Tax Paid:**

18.09.87	-	11,646
28.09.87	-	675
12.12.87	-	10,378
		<hr/>
		22,700

Where no return has been filed by the appellant for the assessment year in connection with which the appeal is preferred, whether an amount equal to the amount of advance tax payable by him during the financial year immediately preceding such assessment year has been paid. (If the answer is in the affirmative, give details of date of payment and amount paid).

**- N/A -**

‡Relief claimed in appeal.

**Vide Annexure**

Where an appeal in relation to any other assessment year is pending in the case of the appellant with any Deputy Commissioner (Appeals) or Commissioner (Appeals), give the details as to the—

- (a) Deputy Commissioner (Appeals) or Commissioner (Appeals), with whom the appeal is pending;
- (b) assessment year in connection with which the appeal has been preferred;
- (c) Assessing Officer passing the order appealed against;
- (d) section and sub-section of the Act, under which the Assessing Officer passed the order appealed against and the date of such order.

**C.I.T. (Appeals)-XII/NYD**

**1987-88**

**Asst. Commissioner of Income-tax  
Circle 1 (2)/NYD**

**143(3) dated 28.03.1990**

Address to which notices may be sent to the appellant

**M/S. S. Ajay & Co.  
Chartered Accountants  
S/o. M. S. Reddy, Road Builders,  
10/2, M. S. Reddy (Proprietor, M & M Associates)  
Hyderabad.**

*Robert and*  
Signed \_\_\_\_\_  
(Appellant) Trustee

STATEMENT OF FACTS:

(This space is reserved for the statement of facts)

GROUND OFS OF APPEAL:

FORM OF VERIFICATION

I, ... SATISH ... the appellant, do hereby declare that what is stated above is true to the best of my information and belief.

Place: Hyderabad.

Signature.

Date: 02.05.1971

(Status of Appellant: Partner of M/s. ...)

Satish ... Trustee Signed (Appellant)

- NOTES:-(1) The form of appeal, grounds of appeal and the form of verification appended thereto shall be signed by a person in accordance with the provisions of rule 43(2). (2) The memorandum of appeal, statement of facts and the grounds of appeal must be in duplicate and should be accompanied by a copy of the order appealed against and the notice of demand in original, if any. (3) Delete the inappropriate words. (4) These particulars will be filled in, in the office of the Deputy Commissioner (Appeals)/ Commissioner (Appeals). (5) Not to be filled in if the appeal relates to tax deducted under section 195(1). (6) If the space provided herein is insufficient, separate enclosures may be used for the purpose. (7) If appeals are pending in relation to more than one assessment year separate particulars in respect of each assessment year may be given. Designation of the Deputy Commissioner (Appeals)/Commissioner (Appeals).

STATE OF NEW YORK

The Commission on the Administration of Justice...  
has the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the proposed amendments to the Rules of the Appellate Division of the Supreme Court of the State of New York. The Commission is currently engaged in a study of the proposed amendments and will submit its report to the Governor and the Senate in due season.

The Commission is currently engaged in a study of the proposed amendments to the Rules of the Appellate Division of the Supreme Court of the State of New York. The Commission is currently engaged in a study of the proposed amendments to the Rules of the Appellate Division of the Supreme Court of the State of New York.

The Commission is currently engaged in a study of the proposed amendments to the Rules of the Appellate Division of the Supreme Court of the State of New York. The Commission is currently engaged in a study of the proposed amendments to the Rules of the Appellate Division of the Supreme Court of the State of New York.

Very respectfully,  
[Signature]

[Signature]

Respectfully,  
[Signature]

With the great respect for the...  
a further step in the...  
they...  
the...  
of the...  
available...

... as a sole proprietor ...  
year 1964 and in subsequent years.

The provisions of the ...  
business. During the course of ...  
office, corrected ...  
addition were ...  
of Income Tax (applicable). ...  
same as per ...  
like ... It is ...  
annual ...  
assessment year 1964 ...  
earlier years in case of the ...

... of the ...  
not off 1/2% ...  
filed within ...

The ...  
the ...  
such other ...  
They are valid ...  
Assessing Officer. A ...  
of these ...  
the assessment ...  
the ...

In the ...  
conditions ...  
conditions ...  
are binding ...  
department ...

... of the ...  
Inspector ...  
the benefit ...  
earlier years ...  
decision in case of the ...

*Handwritten signature*

~~CONFIDENTIAL~~

1. The order of the Assistant Commissioner of Insurance is in full force and effect and the Commissioner of Insurance is not to be bound by it in respect to the application of the provisions of the Act.
2. The Assistant Commissioner of Insurance has ruled in holding that the amount of \$2.4 million mentioned in the above petition is in the nature of loan interest of such nature.
3. The Assistant Commissioner of Insurance has ruled to allow allowing a sum of \$2,400,000 out of the business income of profit and loss account to be returned to the petitioner.
4. The Assistant Commissioner of Insurance is not justified in rejecting the claim for set off of the business income of \$2,400,000 except amount from the earlier years. The income of the earlier years having been determined under the provisions of the Act, the set off has to be given against the business income of current year.
5. The Assistant Commissioner of Insurance should take a different stand for giving the benefit of the set off of the business income on the plea that the petition was not filed at all, after having considered the return including business income tax in assessment proceedings, assessing the income tax profit and having filed several appeals before him.
6. Any other ground or grounds that may arise are reserved at the time of hearing.

*ST/02*

~~CONFIDENTIAL~~

SHRI J. ALBERT, IAS  
Asst. Commissioner of Incometax,  
Circle.1(2) : Hyderabad.

आई० टी० एन० एस०-65  
I. T. N. S.-65

आयकर विभाग

INCOME-TAX DEPARTMENT

1. निर्धारित का नाम  
Name of assessee  
**M & M Associates,**
2. पता  
Address  
**1-10-72/2/3, Modi Builders,  
Begumpet, Secunderabad,**
3. स्था० ले० सं०/सा० सू० र० सं०  
P.A. N./G. I. R. No.  
**M.622/AC.1(2).**
4. जिला/वाड़/सर्कल  
District/Ward/Circle  
**Circle.1(2).**
5. हेतियत  
Status  
**A.O.P**  
(क) यदि हि० अ० क० है तो क्या निर्धारित है?  
**Determined Family Trust.**  
(a) If HUF; is higher rate of tax applicable?  
(ख) यदि कम्पनी है तो  
(b) If company, whether  
(i) देसी/अन्य  
Domestic/Others  
(ii) जनता का पर्याप्त रूप से हितबद्ध/जनता का पर्याप्त रूप से हितबद्ध नहीं  
Public substantially interested/Public not substantially interested.  
(iii) औद्योगिक/गैर औद्योगिक  
Industrial/Non-industrial  
(iv) धारा 108/धारा 108 से भिन्न  
Section 108/other than section 108
6. निर्धारण वर्ष  
Assessment year  
**1988-89.**
7. क्या निवासी/निवासी किन्तु आमतौर पर निवासी नहीं/अनिवासी  
Whether Resident/Resident but not Ordinarily resident/Non-resident.  
**R & O R**
8. लेखा विधि  
Method of accounting
9. पूर्व वर्ष  
Previous year.  
**31.7.1987**
10. कारबार/कारबारों की प्रकृति  
Nature of Business(es).  
**Determined family trust.**
11. सुनवाई की तारीख/तारीखें  
Date(s) of hearing
12. आदेश की तारीख  
Date of order
13. किस धारा तथा उपधारा के अन्तर्गत निर्धारण किया गया  
Section and sub-section under which the assessment is made.  
**22-3-1991.**  
**U/s.143(3).**

The assessee is a determined family trust with 11 beneficiaries. It is doing business as as developpers as real estate. For the assessment year 1988-89 it filed its return of income on 17.01.1989 declaring an income of Rs.23,044. Subsequently the assessee filed a revised return on 27-02-1991 declaring a loss of Rs.26,956(-). In response to the notice u/s.143(2) Mr.Niranjan on behalf of Mr.Anil Kumar B.Vithlani, A.R appeared along with Shri Kanakarao, Accountant, produced books of account and filed details. After examination of the same, the assessment is finalised as under :-

p.t.o



BUSINESS : Loss returned ... .. Rs. 26,956/-

Add: The balance sheet of the assessee's Proprietary concern M/s.Modi Builders shows borrowed funds of Rs.58,69,730/-. On the borrowed funds interest of Rs.6,79,055/- is debited to the profit and loss account. But not all the borrowed funds are used for the assessee's business. The debit balances in capital account in Modi Builders is Rs.23,69,823 and the amount invested by the assessee in M/s. Modi Builders Methodist Complex a partnership firm where it is a partner, is Rs.26,38,331. More than Rs. 6 lakhs is receivable from different parties. The assessee is paying interest on borrowed funds at 18% per annum, where as it has not charged interest on loans receivable from different parties except one Shri D.Surendranatha Reddy where also the interest charged is only 12%. Hence there is a clear diversion of borrowed funds for non-business purpose. Hence on an estimate I disallow a sum of Rs.40,000/- out of the interest debited to the profit and loss account as interest related to business.

	:	Rs.	40,000/-
			-----
Total income	.... :	Rs.	13,044/-
		OR	<u>Rs. 13,040/-</u>

Tax computation :

Incometax thereon	:	Rs.	6,848/-
Less: Adv.tax paid	:	<u>Rs.30,916/-</u>	
Refundable	...	<u>Rs.24,068/-</u>	

*gubert*  
*g*

The tax is calculated at maximum marginal rate at 52.5% u/s.161(1A) of the Incometax Act, 1961.

The assessee has also claimed brought forward of losses of earlier years amounting to Rs.21,76,716. As discussed in my assessment order in the assessee's own case for asst. year 1987-88 the assessee was not entitled to carried forward of its losses of earlier years since the return of those years were filed beyond due date. Hence the claim of the assessee for carried forward of losses is rejected.

*J. Albert*

(J. ALBERT )

Asst. Commissioner of Incometax,  
Circle.1(2) : Hyderabad.

copy to the assessee.  
nr\*/-

// 3 //

Divisible income : Rs.13,040/-

APPORTIONMENT

	Share	Sh. Income.
1. Master Saham S. Modi	25%	3260
2. Master Sourabh S. Modi	25%	3260
3. Master Roopesh	6%	782
4. Kumari Devamshi	6%	782
5. Kumari Arnav	6%	782
6. Kumari Priti	4%	522
7. Master Riken	6%	782
8. Kumari Nirmitha	6%	522
9. Master Sanket	6%	522
10. Kumari Hilal	6%	782
11. Master Amit	6%	782

Total : 100% 13,040

copy to the assessee.

*J. Albert*  
(J. Albert)  
Asst. Commissioner of Income Tax  
Circle.1(2) ::: Hyderabad.

द्वितीय पत्र ( बैंक द्वारा प्रेषित जेता अधिकारी को भेजने के लिए )  
SECOND FOLIO ( Present by Bank to the Z. A. O. )

Voucher No. 709814

Book No. A 077099

Valid for amounts Rs. 1,000/- and above

निम्न दर से मिला आय पर कर  
21 Taxes on income other than Corporation Tax



CBDT 7

यह जारी करने की तारीख के तीन मास के अन्दर संदेय है। payable within three months of date of issue.

Under Rupees twenty two thousand nine hundred and seventy three only.

भारसाधक अधिकारी भारतीय रिजर्व बैंक Reserve Bank of India  
Officer - in - charge of भारतीय स्टेट बैंक State Bank of India  
भारतीय स्टेट बैंक की उप - शाखा Subsidiary of the State Bank of India Hyderabad

स्थायी केषा संख्या / Permanent Account Number M-622/AE 10

विवरण वर्ष ( वर्षों ) / Assessment Year ( s ) 1988-89.

रुपया श्री को ( अंकों में )

M/s M & M Associates.

क. की राशि प्रतिदाय के कारण उनको दे दीजिए। 1-10-72/23 Begumpet Secbad. ( शब्दों में )

Please pay to

the sum of Rupees 22,972/- [Twenty two thousand nine hundred and seventy two only] ( in figures )  
( in words )

on account of refund due to him.

Hyderabad.

Place 26.3.91  
Date

ASSISTANT COMMISSIONER OF INCOME TAX, CIRCLE-1 (2)

हस्ताक्षर Signature B. D. Bhandari, Tax Officer

भुगतान प्राप्त किया Received payment केवल क. ( अंकों में )  
क. ( शब्दों में ) दे दीजिए।

Pay Rs. ( in figures ) only  
Rupees ( in words )

दावेदार के हस्ताक्षर Claimant's Signature

तारीख Date 19

जांच की Examined.

लेखापाल Accountant

प्रार्. ई. सैक 5 I. T. Sec.

भारसाधक अधिकारी Officer - in - charge

भारतीय रिजर्व बैंक Reserve Bank of India  
भारतीय स्टेट बैंक State Bank of India  
भारतीय स्टेट बैंक की उप - शाखा Subsidiary of the State Bank of India

तारीख Date 19

\* वर्गीकरण के लिए कृपया पृष्ठ भाग देखिये।  
For Classification, Please see reverse.

7/5/11

Hyderabad, India, 7/5/11

**STATEMENT**

- 1. Master John J. ...
- 2. Master ...
- 3. Master ...
- 4. Master ...
- 5. Master ...
- 6. Master ...
- 7. Master ...
- 8. Master ...
- 9. Master ...
- 10. Master ...
- 11. Master ...


Total : 1000 00 00

copy to the ...

*J. Albert*  
 (J. Albert)  
 Asst. Commissioner of Income-tax  
 Circle-1(2) Hyderabad.

017309

027



CBOT 7

Under Rupees twenty two thousand nine hundred and seventy three only

Officer - in - charge of भारतीय स्टेट बैंक Reserve Bank of India, Hyderabad

Permanent Account Number M-622/AE-16, 1988-89

M/s M & N Associates, Begumpet, Hyderabad

the sum of Rupees 22,972/- [Twenty two thousand nine hundred and seventy two only]

26.3.91

Signature of Assistant Commissioner

Received payment

Pay Rs. (in figures) only, Rupees (in words)

Claimant's Signature

Date 19

Officer - in - charge, Reserve Bank of India, State Bank of India, Hyderabad

Examined

Accountant

Date 19

I. T. Sec. 5

For Classification, Please see reverse.