

13/4/93
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आई. टी. एन. एस.-65
I. T. N. S.-65

आयकर विभाग
INCOME-TAX DEPARTMENT

- M/s. Modi Builders -**
- निर्धारित का नाम
Name of assessee **Methodist Complex,**
 - पता
Address **1-10-72/2/3, Begumpet,
Hyderabad.**
 - स्था. ले. सं./सा. सू. रं. सं.
P. A. N./G. I. R. No. **M-312**
 - जिला/बाई/सर्कल
District/Ward/Circle **D.C., Spl. Range-3,
Hyderabad.**
 - हेसियत
Status **Regd. Firm**
 - निर्धारण वर्ष
Assessment year **1990-91.**
 - क्या निवासी/निवासी किन्तु मामूली तौर पर निवासी नहीं/
अनिवासी
Whether Resident/Resident but not Ordinarily resident/
Non-resident.
 - लेखा विधि
Method of accounting **Mercantile system**
 - पूर्व वर्ष
Previous year. **31-3-1990**
 - कारबार/कारबारों की प्रकृति
Nature of Business(es) **Business
Developer.**
 - सुनवाई की तारीख/तारीखें
Date(s) of hearing **21-2-1993.**
 - आदेश की तारीख
Date of order **5-3-1993.**
 - किस धारा तथा उपधारा के अधीन निर्धारण किया गया
Section and sub-section under which the assessment is
made. **143(3) of I.T. Act**
- (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 भिन्न
Section 108/other than section 108

निर्धारण आदेश
ASSESSMENT ORDER

The assessee filed return of income on 31-8-90 for the Asst. Year 1990-91 declaring a loss of Rs. (-)10,38,402/-. A revised return was filed by the assessee beyond due date i.e., on 29-10-1992. In the revised return the assessee showed the loss at Rs. (-)5,29,362/-.

The main source of the income of the assessee is rental income from the let-out portion of Methodist Complex. In response to the Notice issued U/s.143(2), the assessee's A.R Shri C.L. Gokhale appeared and discussed the case.

For the reasons mentioned in the assessment order for the assessment year 1990-91, the annual let value is calculated adopting Rs.4.5 per sq.foot. The assessment is completed as follows:

I. Income from lease property :

| Name | Area | Rent received OR A.L.V whichever is higher. |
|----------------------------------|-----------|--|
| 1. Memories | 320 sq.ft | 35,460 |
| 2. Talsons | 325 | 17,550 |
| 3. S.B.H | 20,200 | 11,09,983 |
| 4. Mrs.Kannamba | 180 | 9,720 |
| 5. Mohandas Mansighani | 240 | 12,960 |
| 6. Manjilal Chajjar | 200 | 18,308 |
| 7. Kanti Bai | 500 | 27,000 |
| 8. Kaushal Yadevi | 500 | 27,000 |
| 9. Sigma Colour Lab | 650 | 29,250 |
| 10. Gokuldas Exports | 2400 | 1,29,600 |
| 11. Archies Gallery | 740 | 39,960 |
| 12. Badarinath Sarangapani&Co., | 325 | 17,550 |
| 13. Arihant | 1800 | 97,200 |
| 14. Syeedrumudding Ahamed | 255 | 13,770 |
| 15. J.M.D.C(Partly) | 2500 | 73,455 |
| 16. Sagar Sales(Temporary Sales) | 4900 | 37,000 |
| 17. M. Anil Kumar | — | 5,000 |
| A.L.V. | | Rs. 17,00,766 |

Even though the ground floor properties yield more rent because they are facing the main road, the A.L.V. is fixed at same proportion as let out to S.B.H.

| | | |
|--|------|--------------|
| Annual letting value as arrived at above | | Rs.17,00,766 |
| Less : Municipal taxes | | Rs. 97,977 |
| | | Rs.16,02,789 |

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(H. S. PRINCE JUDIN)
Deputy Commissioner of Income Tax,
(Asstt), Special Section 3, Hyderabad.

B/f ... Rs. 16,02,789

Less : Deductions

| | |
|--|-------------------------|
| a) 1/6 the for repairs : 2,67,131 | |
| b) lease rent to Methodist Church | <u>12,00,000</u> |
| | 14,67,131 |
| | <u>Rs. 1,35,658</u> |
| c) Assessee paid interest to bank on the funds advanced by the bank for construction of the building. This is allowed | Rs. 3,98,325 |
| Loss from House property : | <u>Rs. (-) 2,62,667</u> |

II. Income from Other Sources:

The assessee is receiving maintainance charges for maintainance of the property which is taken as other source income. As seen from the P & L A/c. the following are the receipts :

| | | |
|--|--------------------|---------------------|
| 1. Hire charges for Furniture & Fixture | : Rs.27,000 | |
| 2. Bank interest | 41 | |
| 3. Misc., receipts | 15,270 | |
| 4. Insurance | 4,940 | |
| 5. Electrical Bill | 11,126 | |
| 6. Expo II | 4,66,631 | |
| 7. Difference in books | 3,086 | |
| 8. Maintainance charges shown in revised return | 4,405 | |
| | <u>Rs.5,32,499</u> | <u>Rs. 5,32,499</u> |

Less : Expenditure incurred towards
EXPO II

Rs. 2,84,388

Income from other source :

Rs. 2,48,111

S U M M A R Y :

| | |
|-----------------------------|-------------------------|
| 1) Loss from house property | : Rs.2,62,667 (-) |
| 2) Income from other source | : <u>Rs.2,48,111</u> |
| Net loss for the year | : <u>Rs. (-) 14,556</u> |

Net loss apportioned to partners :

| | | |
|---------------------------------------|---------|----------------------|
| 1. Shivshakti Constructions (P) Ltd., | - 75% - | Rs. 10,917 (-) |
| 2. Satish Modi | - 25% - | <u>Rs. 3,639 (-)</u> |
| | | <u>Rs. 14,556</u> |


(H. SRINIVASULU)
Deputy Commissioner of Incometax
Posts: Special Range-3, Hyderabad