



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
National e-Assessment Centre
Delhi



1.	PAN	AAATM5488Q
2.	Name of the assessee	M.C.MODI EDUCATIONAL TRUST
3.	Address of the assessee	5-4-187/3 AND 4 SOHAM MANSION, M.G ROAD SECUNDERABAD, SECUNDERABAD 500003, Telangana,
4.	Assessment Year	2018-19
5.	Status	TRUST
6.	Residential Status	Resident
7.	Date of filing of Return of Income	31/10/2018
8.	Acknowledgement Number of Return of Income	367121591311018
9.	Date of processing u/s 143(1)(a) of the Income-tax Act.	28/06/2019
10.	Date of service of Notice under section 143(2) of the Income-tax Act	22/09/2019
11.	Date(s) of issue of Notice(s) under section 142(1) of the Income-tax Act	24/12/2020,15/01/2021
12.	Order passed under section	143(3) read with sections 143(3A) & 143(3B) of the Income-tax Act
13.	Returned Income	Rs. 0
14.	Date of Order	12/04/2021
15.	DIN	ITBA/AST/S/143(3)/2021-22/1032350749(1)

ASSESSMENT ORDER

1. The case was selected for Complete Scrutiny assessment under the E-assessment Scheme, 2019 on the following issues:-

- | S. No. | Issues |
|--------|--|
| i. | Expenditure for Charitable or Religious Purposes |

The Return of Income was filed by the assessee on 31/10/2018 showing total income at Rs.0 /- for the A.Y. 2018-19. The case was selected under cass and the reason for the selection was Large amount deemed to have been applied to charitable or religious purposes. During the assessment proceedings, the assessee was served notice u/s 143(2) of the Act dated 22/09/2019 and several notices u/s 142(1) of the Act dated 24/12/2020, 28/01/2020 and 15/01/2021. Show-cause notices were also issued to the assessee on 02/02/2021 & 16/02/2021

, in response to which the assessee has given the submissions on 03/02/2021, 08/02/2021 and 20/02/2021.

2. After going through the submissions made by the assessee during the course of assessment proceedings, the following additions are proposed as the contentions of the assessee are not acceptable. After considering the suggestion of the review unit a final show cause notice was issued on 26/03/2021. In response to the same the assessee has made submission on 31/03/2021. In view of the submission and facts mentioned in para 3 the assessee is assessed as AOP and assessed accordingly.

3. It is revealed from Schedule-AI of the Return of Income that the assessee has shown total receipts to the tune of Rs.69,64,722/-. The assessee was requested to submit the certified copy of Registration u/s.12AA of the Act, and was also requested to upload the certified copy of form 12A. The assessee has stated that the original document is lost/misplaced. The fresh application for registration u/s 12AA filed by the assessee was rejected by the CIT(Exemption), Hyderabad vide order u/s 12AA(1)(b)(ii) vide F. No.CIT(E)/Hyd/68(02)/12A/2017-18 dated 27/08/2018. In view of the rejection of application for Registration u/s.12AA by the CIT(Exemption), Hyderabad, the assessee's case has to be assessed treating it as AOP and the addition made as under:

4 Addition on account of rent receipts of Rs.48,93,403/-:

4.1 On verification of the income and expenditure account it is seen that the assessee has credited the rent receipts of Rs.48,93,403/-. With respect to the addition of entire receipts to the tune of Rs.69,42,722/-, the assessee has made submission on 31/03/2021 with request to treat the amount of Rs.48,93,403/- as rental income under the head income from house property. In view of the same it is treated as income under the head income from house property total of Rs.48,93,403/- and not allowed deduction on account of municipal tax and standard deduction u/s 24(a) of the I T Act. The entire rent receipts of Rs.48,93,403/- is treated as taxable income of the assessee during the year under consideration as the claim was not made in the return of income filed by the assessee under the head income from house property. Hence the entire rent receipts of Rs.48,93,403/- added back to the total income of the assessee.

[addition of Rs.48,93,403/-]

4.2 Penalty proceeding u/s 270A of the I T Act for under reporting will be initiated separately

5. Addition on account receipts from interest and others rounding off:

5.1 On verification of the income and expenditure account the assessee has shown interest received total of Rs.20,71,307/- and other rounding of amount of Rs.11/- Thus the total amount under the head of other receipts credited at Rs.20,71,319/-. In view of the facts and circumstances as stated above in para 3, the entire interest and other amount total of Rs.20,71,319/- treated as income from other sources and same will be charged at maximum

marginal rate as defined u/s.164(1) of the I.T. Act. No expenses is allowed as the same is not utilized to earned income under the head income from other sources.

[Addition Rs.20,71,319/-]

5.2 Penalty proceeding u/s 270A of the I T Act for under reporting will be initiated separately

6. Addition on account of disallowance of donation made of Rs.9,35,000/-:

6.1 On verification of the income and expenditure account it is seen that the assessee has debited the mount of Rs.9,35,000/- as donation to the various trust/institution. On verification of the submission dated 30/03/2021 it has been submitted that deduction u/s 80G for donation made to 80G Registration trust/institutions should also be considered to arrive at the taxable income. On verification of the income and expenditure account and return of income filed it seen that the total donation made of Rs.9,35,000/- . No claim of deduction u/s 80G has been made by the assessee at the time of filing the return of income, no complete proof of such donation has been submitted during the course of assessment proceedins, therefore the entire amount of donation made of Rs.9,35,000/- is disallowed and added back to the total income during the year under consideration.

[Addition of Rs.9,35,000/-]

6.2 Penalty proceeding u/s 270A of the I T Act for under reporting will be initiated separately

7. Subject to the above remarks, the total income of the assessee is assessed as under:

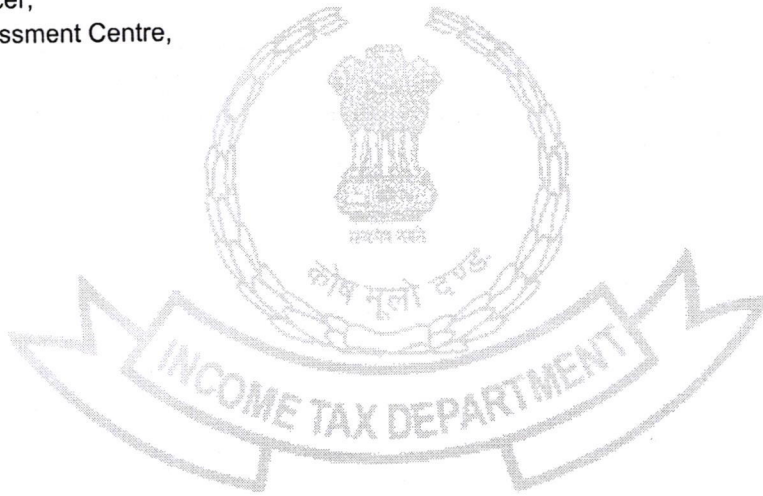
Total income as per income return	Rs.0/-
Add: Addition on account of rent receipts as discussed in para 4	Rs.48,93,403/-
Add: Addition on account of interest receipts as discussed in para 5	Rs.20,71,319/-
Add: Addition on account of disallowance of donation made of Rs.7,35,000/-	Rs.9,35,000/-
Total Assessed income	Rs.78,99,722/-
Ronded off....	Rs.78,99,720/-

8. Thus the total income is assessed at Rs.78,99,720/- U/s.143(3) r.w.s 144B of the Income tax Act,1961. Calculate tax and give credit of prepaid taxes, after due verification. Charge interest as per the I.T. Act, wherever applicable. Issue Demand Notice & Challan accordingly. Issue penalty notice u/s 270A of the Act for mis-reporting, also issue penalty notice u/s 272A of the I T Act.

Yours faithfully,
Additional / Joint / Deputy / Assistant Commissioner of Income Tax/
Income-tax Officer,
National e-Assessment Centre,
Delhi

Copy to:

Assessee



Yours faithfully,
Additional / Joint / Deputy / Assistant Commissioner of Income Tax/
Income-tax Officer,
National e-Assessment Centre,
Delhi