

Date:25-06-2019.

From

M.C. Modi Education Trust,
5-4-187/3 & 4,
2nd Floor, Soham Mansion,
M.G. Road, Ranigunj,
Secunderabad - 500 003.

To

The Commissioner of Income tax (Exemptions),
Aayakar Bhavan, 2nd Floor,
Annexe Building,
Basheerbagh,
Hyderabad - 500 004.

Respected Sir

Sub: Submissions for registration u/s.12A of IT Act, 1961
PAN - AAATMTT5488Q - Reg.

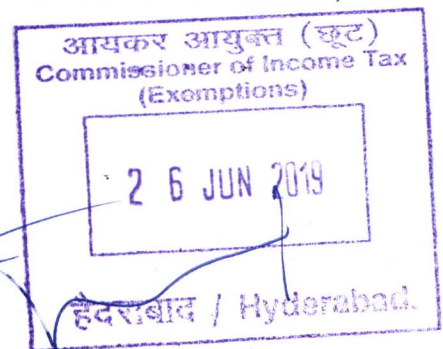
In the course of hearing we have been requested to explain the observations and deficiencies stated by the Assessing Officer in Assessment Order u/s.143(3) dated 18-12-2018 for Assessment Year 2016-17 particularly with respect to the following:

1. Para 6 - Registration u/s.12AA of Assessment Order:

The AO has reproduced the para as contained in the letter of the The Commissioner of Income tax (Exemptions) vide order dated 27-08-2018 rejecting the our application dated 26-02-2018 seeking registration u/s.12A. The same is reproduced hereunder.

“Since the original trust deed/MOA and accounts have not been filed, it is not possible to verify the genuineness of the objects and activities of the assessee. Hence, the aims &Y objects of the Society could not be verified in absence of original MOA. As per Rule 17A, applicant has to file copy of Income & Expenditure account along with bills & vouchers. However, the assessee has not filed any documentary evidence like bills & vouchers and books of accounts for verification which is the requirement as per the Rule 17A, the genuineness of the activities could not be verified. Therefore, the genuineness of the objects and activity is in doubt.”

In view of all the above facts, I am of the view that the applicant is not fit for grant of registration us/12AA of the Act. Hence, the



application in Form No.10A filed by the above applicant is here by rejected.”

Due to certain reasons the hearing for seeking registration u/s.12A could not be attended to and therefore no submission and details could be furnished and consequently the application got rejected. The application filed in Form 10A on 26-02-2018 was required to be disposed off within a period of 6 months i.e., by 31-08-2018. Since the group accountant was pre-occupied with finalization of various IT returns to filed on or before 31-08-2018 and also with the tax audit works, could not attend to and furnished the required information. As the matter was getting time barred, the application got rejected. However in the course of the assessment proceedings the details of expenses, ledger account copies, income details etc. were furnished vide our letter dated 20-11-2018. Copy of the same is enclosed **Annexure 1**. It may be noted that the documents and information has been filed at the IT portal under e-proceedings.

It is therefore submitted that the Trust has been maintaining the books of account, vouchers, bills etc. as required under the Act. Thus there is no such deficiency. The Trust has been regularly filing ROI for past several years.

2. In para 8 of the Assessment Order the following is observed by the AO.

The assessee has filed a copy of an Trust Deed dt.16-11-1955 to claim that it is a valid trust. The trust deed has been perused and it an unsigned deed dated 16-11-2015. Even the witnesses have not signed the deed. In absence of original deed containing the signature of settler and witnesses this deed cannot be accepted as valid trust deed. The deed is also not registered. In absence of the signed deed it is doubtful that the assessee has taken valid registration u/s.12A.

As submitted the Trust has lost its Original Trust Deed dated 16-11-1955 and also the records of Trust Registration under I.T. Act.

In this regard we wish to submit and clarify that deed is a copy of the deed which is

// TRUE COPY //

Certified by Asst. Commissioner, Endowment Dept, TWIN CITIES, Hyderabad.



The trust is registered with the Endowment Dept and we were in search of the Original of the Trust Deed. It appears that when we approached them, they have provided with us the True Copy of the Deed reproduced on the 'Copy Stamp' papers and therefore the deed do not contain the signatures but only the names of the settler and the witnesses.

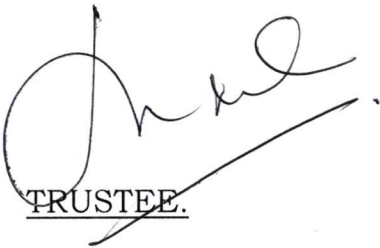
3. In para 10 of the Assessment Order, the following is observed by the AO

As there is no registration u/s.12A and not carrying out charitable activities for which it was formed, the surplus of income over expenditure is brought to tax by denying exemption u/s.11.

We have already submitted the a note on the activities of the Trust along with payments of donations given towards activity of the Trust.

We hope you will find the above information in order and once again request you to grant the registration u/s.12A.

Yours faithfully,
For MC MODI EDUCATIONAL TRUST,



TRUSTEE.

Date : 20-11-2018.

From
MC Modi Educational Trust,
5-4-187/3 & 4, 2nd Floor,
Soham Mansion,
M.G. Road,
Secunderabad - 500 003.

To
Income tax Officer
Exemption Ward 1(2),
Basheerbagh,
Hyderabad.

Sub: I.T. assessment proceedings - Own case - Assessment Year 2016-17
PAN - AAATM5488Q - Submission of information - Reg.

Ref: Noti u/s.142(1) dated 25-10-2018 -
Notice No.ITBA/COM/F/17/2018-19/1013289512(1).

In connection with the income tax assessment proceedings certain information requested for is submitted herewith for your kind consideration.

1. **Registration certificate:** The Trust is about 60 years old and the registration obtained vide V/19/67-68 dated 01-06-1968. The said registration letter is misplaced and not available. We have applied for duplicate for income tax department. Department given the reply there is no provision for issue of duplicate certificate.
2. **Statement of Accounts:** Statement of accounts for the Financial Year 2015-16 is enclosed **Annexure - 1.**
3. **Details of receipts and sources of income:** Income details for the Financial year 2015-16 are as under:

Income from	Amount	Source from	Remarks
<u>Rental income:</u> Ajay Mehta	1,489.00	Soham Mansion Building	Ledger copy enclosed Annexure-2.



Sri Sai Enterprises	33,93,524.00	Paradise Building	Ledger copy enclosed Annexure-3.
Modi Properties Pvt. Ltd.	6,72,805.08	Soham Mansion Building	Ledger copy enclosed Annexure-4.
Grander Homes Pvt. Ltd.	27,236.00	Soham Mansion Building	Ledger copy enclosed Annexure-5.
Ashoka Motors	56,044.60	Soham Mansion Building	Ledger copy enclosed Annexure-6.
Fortune Motors Pvt. Ltd	2,61,140.00	Soham Mansion Building	Ledger copy enclosed Annexure-7.
<u>Interest Income</u> HDFC Bank	29,06,984.70	Fixed Deposit	Ledger copy enclosed Annexure-8.
IDBI	3,81,886.00	Fixed Deposit	Ledger copy enclosed Annexure-9.
HDFC	16,381.00	SB Interest	Ledger copy enclosed Annexure-10.

4. **Details of Deposits:** Deposits for the financial year 2015-16 are as under:

Deposits	Amount	Remarks
FDR – HDFC Bank	2,65,69,044.15	Ledger copy enclosed Annexure-11.
FDR – IDBI Bank	25,00,000.00	Ledger copy enclosed Annexure-12.



5. **Trust Deed:** Copy of Trust Deed is enclosed as **Annexure – 13.**
6. **Corpus Fund:** During the year there is no receipts towards Corpus Fund.
7. **Details of Assets purchased:** There is no purchases of Fixed Assets during the financial year 2015-16.
8. **Sundry Creditors/ Loans:** There is Sundry creditors & loans for the Financial Year 2015-16.
9. **Details of Fixed Assets:** There is no additions on Fixed Assets during the year. The details of Fixed Assets are as under:

Asset	Balance as on 31-3-2016.	Remarks
Motor Pump	6,918.00	Ledger copy enclosed Annexure 14.
Soham Mansion Building	52,33,215.55	Ledger copy enclosed Annexure 15.
Paradise – Land & Building	1,04,977.43	Ledger copy enclosed Annexure 16.

10. **Debtors:** There is no Debtors as on 31-03-2018.
11. **Bank details:** The details of Bank account is given as under:

Account No.	Bank Name	Account Type	Remarks
00421450000012	HDFC Bank	Saving Account	Bank statement enclosed Annexure 17.

12. **TDS:** There is no TDS deducted for the Financial Year 2015-16.
13. **Income tax returns for last 3 years:** Copies of IT Return for the Financial year 2013-14, 2014-15 & 2015-16.
14. **10B:** Copy of 10B is enclosed **Annexure 18.**



15. **Details of Donations paid:** The details of Donations paid are given as under:

Donation paid to	Amount	Remarks
Narsing Swain Memorial Trust	6,00,000.00	Receipt enclosed Annexure 19.
Hacmatology Foundation of Hyderabad	12,00,000.00	Receipt enclosed Annexure 20.

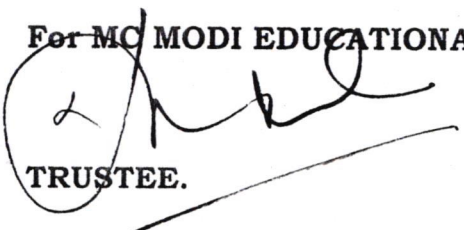
16. **Details of Expenses:** The expenses as per Income & expenditure for the financials year 2015-16 are given as under:

Account	Amount	Remarks
Property tax	2,20,615.84	Ledger copy enclosed Annexure 21.
Audit Fees	13,413.00	Ledger copy enclosed Annexure 22.
Electricity charges	9,383.00	Ledger copy enclosed Annexure 23.
Interest on service tax	3,887.34	Ledger copy enclosed Annexure 24.
Repairs & Maintenance	1,250.00	Ledger copy enclosed Annexure 25.
Prior period items	13,627.00	Ledger copy enclosed Annexure 26.

We hope you will find the above information in order

Yours faithfully,

For MC MODI EDUCATIONAL TRUST,


TRUSTEE.

e-Proceedings Response Acknowledgement					
INCOME TAX DEPARTMENT					
PROCEEDING DETAILS					
PAN/TAN		AAATM5488Q			
Name		M.C.MODI EDUCATIONAL TRUST			
Assessment Year		2016-17			
Proceeding Name		Assessment Proceeding u/s 143(3)			
Document Reference ID		100000002177430			
Notice Section		142(1)			
Description		[ITBA]Notice u/s 142(1)of Income Tax Act 1961.			
Notice Issue Date		29-05-2018			
Due Date for Submission		08-06-2018			
Communication Sent date					
Document Id		ITBA/AST/F/142(1)/2018-19/1009972375(1)			
RESPONSE SUBMITTED					
Response Type		Full Response			
Response/Remarks		In connection to the Scrutiny assessment proceeding s, Notice dated 25-10-2018,Letter No: ITBA/COM/F/17 /2018-19/1013289512(1), the following is submitted herewith for your kind consideration.			
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1	Covering-Letter.pdf	Others	Covering Letter	183857	r9dsAz28MirTEdB8jOpq x8oio6Gk9e5tP4BjKadi SVC=
2	Annexure-1-Statement-of-accounts- FY-15-16.PDF	Others	Annexure-1 Accounts statement for FY 201 5-16	574468	rx+iPj6UbVHegZvd6vw7 KUMSK4EOnT/PGXgyYySH DJw=
3	Annexure-2-to-7-Rental-Income. pdf	Others	Annexure-2 to 7-Rental Income	17913	6SyobRtAIotTVAo9Pmwy zt5/ JPTs8H7I6W8zikhY 2HE=
4	Annexure-8-to-10-Interest-Income.pdf	Others	Annexure-8 to 10-Interest Income	7408	IvY3JjLrcUXHxHwvfx4v A6rTBmCvB+Lsuqldmv+O tnU=
5	Annexure-11-12-Details-of-deposits.pdf	Others	Annexure-1 1-12 Detail	5809	tC5oKskHk9PcNLdmDSxd PB95uyxELuz86Yeqdl4L MRk=

			Is of fixe d deposits		
6	Annexure-13-Copy-of-Trust-deed .pdf	Others	Annexure-1 3 Copy of Trust Deed	1302100	YA12kgI29RRgsdbKIBIx rjw6EO5U3La8trSJGYT wxs=
7	Annexure-14-to-16-Details-of-fixed- assets.pdf	Others	Annexure-1 4 to 16 Fi xed asset details	5518	118QByGzX4Md0CBUZdnx 9ysx3u1pBBId1bkZBshF FHg=
8	Annexure-17-HDFC-Bank-details. pdf	Others	Annexure-1 7 HDFC Ban k details	836130	B/x2SYvdwEy0bDwrhQu9 OGCQKZwr8voUxaIf7n1 LUI=
9	Annexure-18-to-20-Copy-of-form -10B-and-Donation-details.pdf	Others	Annexure-1 8 to 20 Co py of Form 10B and D onation de tails	527880	J/VKw2BCr9yt2+G2pKFM xTIP7YgixW42FhwbAY3v Jps=
10	Annexure-21-to-26-Details-of-e xpenses.pdf	Others	Annexure-2 1 to 26 Le dger copie s of expen ses	18094	7AXBQRBnHjMZkXV0Wk0U Aqu9bxdHe7kxhLoSAOxc sVQ=

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