



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
EXEMPTION WARD 1(2), HYD

To. M.C MODI EDUCATIONAL TRUST 5-4-187/3 AND 4 SOHAM MANSION,M.G ROAD SECUNDERABAD 500003,Telangana India	
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PAN: AAATM5488Q	AY: 2016-17	Order No: ITBA/AST/S/143(3)/2018-19/1014368412(1)	Dated: 18/12/2018
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Name of the assessee	M.C.MODI EDUCATIONAL TRUST
Address of the assessee	5-4-187/3 AND 4 SOHAM MANSION, M.G ROAD SECUNDERABAD, 500003, Telangana, India
Status	TRUST
Range/Circle/Ward	EXEMPTION WARD 1(2), HYD
Resident/Resident but not Ordinary resident/ Non-resident	Resident
Date of Hearing	17/07/2017, 08/06/2018, 05/12/2018
Section/Sub-section under which assessment is made	143(3)
Date of Order	18/12/2018

ASSESSMENT ORDER

1. The assessee filed its return of income for the Asst. Year 2016-17 on 03/07/2017 declaring a total income of Rs.Nil after claiming exemption u/s.11 of the I.T.Act. The case was selected for complete scrutiny under CASS.

2. Accordingly, notice u/s.143(2) & 142(1) of the I.T. Act, 1961 were issued electronically and duly served on the assessee. In response to the said notices, the details/information called for were submitted electronically. The same were examined.

3. For the F.Y.2015-16 relevant to A.Y.2016-17, the gross receipts are Rs.77,17,490/- and excess of income over expenditure is Rs. 49,49,724/-.

4. The main source of income of the assessee are as under :

1. Rental income from the following persons/institutions :

1. Ajay Mehta	Rs. 1,489/-
2. Sri Sai Enterprises	Rs.33,93,524/-
3. Modi Properties & Investments	Rs. 6,72,805/-
4. Grandeur Homes Pvt.Ltd.	Rs. 27,236/-
5. Ashok Motors	Rs. 56,044/-
6. Fortune Motors Pvt. Ltd.	Rs. 2,61,140/-

1. Income from other sources include the following :

1. Interest received on Bank FD	Rs.29,06,984/-
2. Interest on FD with IDBI	Rs. 3,81,886/-
c. Interest on SB A/c.	Rs. 16,381/-

5. As seen from the above, the assessee is deriving its income mainly by way of rents on the properties held by it and interest on fixed deposits with banks. The assessee vide its letter dt.05.12.2018 has confirmed the same. Apart from the receipt of rents and interest the assessee has not carried out any charitable activity.

6. **Registration u/s.12AA:-**

As the assessee did not have registration u/s 12A, it filed an

application seeking registration u/s.12A of the I.T.Act, on 26.02.2018 which has been rejected by The Commissioner of Incometax (Exemptions) vide order dt 27.08.2018 which is reproduced as under.

"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 & 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 u/s.12AA of the Act. Hence, the application in Form No.10A filed by the above applicant is hereby rejected."

1. Section 12A of the Act lays down two basic conditions in order to be eligible for the benefits u/s.11 of the I.T.Act, which are – 1) it should obtain registration u/s.12AA and 2) the accounts should be audited by an Accountant and the Audit report in the prescribed form and duly signed and verified by the Accountant should be furnished along with the return of income.

7. As the assessee is not registered u/s.12AA of the Act for the previous year, the assessee is not entitled for the benefit of section 11. The assessee was issued show cause notice dated 30/11/2018 to explain why the excess of income over expenditure should not be brought to tax in absence of registration u/s 12A in the status of AOP.

The assessee, vide letter dt.05-12-2018, has stated that *"the trust is established vide Trust Deed dt.15-11-1955 and is in existence since then for almost now 60 years. The Trust had got registration under the Income tax Act, 1961 vide letter No.V/19/67-68 dt.01-06-1968. This reference number has also been mentioned in IT Returns filed year upon year for last several years. On verifying our records we have found that the said letter of*

registration has been lost/misplaced. There has been change in auditors and whether the said letter is available or not in the records maintained by the previous auditors could also not be gathered. It is our apprehension that in weeding out old records we have lost an important document of registration as well the Original Trust Deed."

8. 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 signatures of settlor 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.

9. The assessee in its unsigned deed claims that it intends to pursue educational activities. But from the submission of the assessee it is clear that since the last 63 years the assessee has not carried out any educational activities. The assessee is deriving rents and interest but is not being utilized for charitable purposes. It has not shown any intention of carrying out educational activities.

10. 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.

11. As discussed above, the income is computed as under:

COMPUTATION OF INCOME

Excess of income over expenditure as per

Income & expenditure a/c. as discussed above. .. Rs.49,49,724

Assessed income .. Rs.49,49,724/-

Taxable income	Rs. 49,49,724
Taxable thereon	RS. 15,29,465
Add: Interest u/s. 234B	Rs. 2,64,618
Add: Interest u/s. 234C	Rs. 967
Total tax & interest payable	Rs.17,95,050
Less: TDS	Rs. 7,05,591
Less: Self ta paid	Rs. 29,330
Total tax	Rs. 10,60,129

DURGAMBA TALLAPRAGADA
EXEMPTION WARD 1(2), HYD

Copy to:

Assessee

DURGAMBA TALLAPRAGADA
EXEMPTION WARD 1(2), HYD

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Signer: DURGAMBA T APURAGADA
Date: Tuesday, December 18, 2018 12:51 PM
Location: DIRECTORATE, India



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
EXEMPTION WARD 1(2), HYD

To,

M.C.MODI EDUCATIONAL TRUST
5-4-187/3 AND 4 SOHAM MANSION,M.G ROAD
SECUNDERABAD
500003,Telangana
India

PAN:

AAATM5488Q

Date:

18/12/2018

Status:

TRUST

Notice No:

ITBA/AST/S/156/2018-19/1014368456(1)

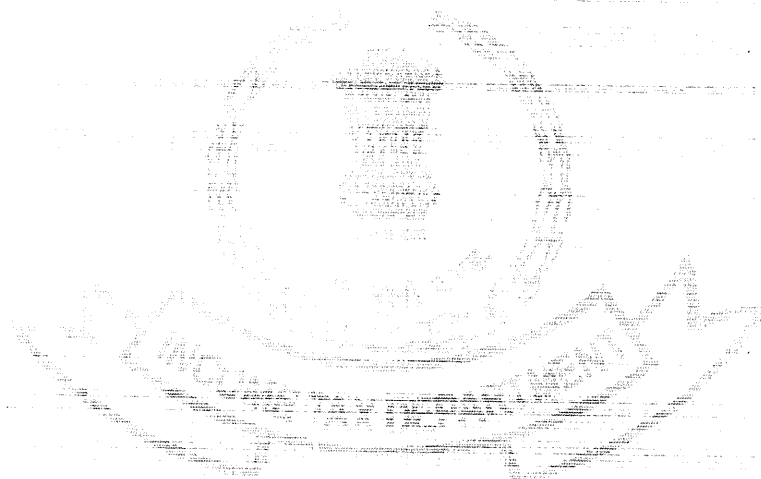
Subject: Notice of demand under section 156 of the Income-Tax Act, 1961

1. This is to give you notice that for the assessment year **2016-17** a sum of **Rs. 10,60,129**, details of which are given on the reverse, has been determined to be payable by you.
2. The amount should be paid to the Manager, authorised bank/State Bank of India within 30 days of the service of this notice. A challan is enclosed for the purpose of Payment.
3. If you do not pay the amount within the period specified above, you shall be liable to pay simple interest at one per cent for every month or part of a month from the date commencing after the end of the period aforesaid in accordance with section 220(2).
4. If you do not pay the amount of the tax within the period specified above, penalty (which may be as much as the amount of tax in arrear) may be imposed upon you after giving you a reasonable opportunity of being heard in accordance with section 221.
5. If you do not pay the amount within the period specified above, proceedings for the recovery thereof will be taken in accordance with sections 222 to 227, 229 and 232 of the Income-tax Act, 1961.
6. If you intend to appeal against the assessment, you may present an appeal under Part A of Chapter XX of the Income-tax Act, 1961, to the CIT (A), Hyderabad- 9 within thirty days of the receipt of this notice, in Form No. 35, duly stamped and verified as laid down in that form.

**DURGAMBA TALLAPRAGADA
EXEMPTION WARD 1(2), HYD**

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAYKAR BHAWAN, OPPOSITE LB STADIUM, BASHEER BAGH, HYDERABAD,
HYDERABAD, Telangana, 500004
Email: HYDERABAD.ITO.EXMP2@INCOMETAX.GOV.IN,



This document is digitally signed

Signer: DURGAMBA J. LAPRAGADA
Date: Tuesday, December 18, 2018 12:51 PM
Location: DIRECTORATE, India



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
EXEMPTION WARD 1(2), HYD
AAYKAR BHAWAN, HYDERABAD, TELANGANA

Computation Sheet

General Details			
PAN	AAATM5488Q	Assessment Year	2016-17
Name	M.C.MODI EDUCATIONAL TRUST	Address	5-4-187/3 AND 4 SOHAM MANSION ,M.G ROAD SECUNDERABAD 500003 ,Telangana India
Residential Status	Resident	Order Section	143(3)
Document Number	ITBA/AST/S/117/2018 -19/1014368447(1)	Order Date	18/12/2018

Sl. No.	Reporting Heads	Amount as per Current Order (in Rs.)
	HEADS OF INCOME	
1.	INCOME FROM HOUSE PROPERTY	41,91,623
2.	INCOME FROM BUSINESS OR PROFESSION	0
3.	INCOME FROM CAPITAL GAINS	0
4.	INCOME FROM OTHER SOURCES	32,81,206
5.	VOLUNTARY CONTRIBUTIONS	0
6.	TOTAL $6=(1+2+3+4+5)$	74,72,829
7.	INCOME CHARGEABLE TO TAX AT SPECIAL RATE U/S 111A, 112 ETC	0
8.	LOSSES OF CURRENT YEAR TO BE SET OFF AGAINST 6(TOTAL OF 2IX, 3IX AND 4IX OF SCHEDULE CYLA)	0
9.	GROSS TOTAL INCOME	74,72,829
10.	AGGREGATE OF INCOME REFERRED TO IN SECTION U/S 11 AND 12 DERIVED DURING THE PREVIOUS YEAR TO THE EXTENT THAT IS INCLUDED IN 9 ABOVE	74,72,829
11.	VOLUNTARY CONTRIBUTION FORMING PART OF CORPUS AS PER SECTION 11(1)(d) [(Ai + Bi) OF SCHEDULE VC]	0

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAYKAR BHAWAN, OPPOSITE LB STADIUM, BASHEER BAGH, HYDERABAD, HYDERABAD, Telangana, 500004
Email: HYDERABAD.ITO.EXMP2@INCOMETAX.GOV.IN,

	DEDUCTIONS	
	(i) AMOUNT APPLIED TO CHARITABLE OR RELIGIOUS PURPOSES IN INDIA DURING THE PREVIOUS YEAR - REVENUE ACCOUNT	18,00,000
	(ii) AMOUNT APPLIED TO CHARITABLE OR RELIGIOUS PURPOSES IN INDIA DURING THE PREVIOUS YEAR - CAPITAL ACCOUNT [EXCLUDING APPLICATION FROM BORROWED FUNDS AND AMOUNT EXEMPT U/S 11(1A)]	0
	(iii) AMOUNT APPLIED TO CHARITABLE OR RELIGIOUS PURPOSES IN INDIA DURING THE PREVIOUS YEAR - CAPITAL ACCOUNT (REPAYMENT OF LOAN)	0
	(iv) AMOUNT DEEMED TO HAVE BEEN APPLIED TO CHARITABLE OR RELIGIOUS PURPOSES IN INDIA DURING THE PREVIOUS YEAR AS PER CLAUSE (2) OF EXPLANATION TO SECTION 11(1).	0
12.	iv(a) IF (IV) ABOVE APPLICABLE, WHETHER OPTION FORM NO. 9A HAS BEEN FURNISHED TO THE ASSESSING OFFICER	
	iv(b) IF YES, DATE OF FURNISHING FORM NO. 9A (DD/MM/YYYY)	
	(v) AMOUNT ACCUMULATED OR SET APART FOR APPLICATION TO CHARITABLE OR RELIGIOUS PURPOSES TO THE EXTENT IT DOES NOT EXCEED 15 PER CENT OF INCOME DERIVED FROM PROPERTY HELD IN TRUST/ INSTITUTION UNDER SECTION 11(1)(A)/11(1)(B) [RESTRICTED TO THE MAXIMUM OF 15% OF (10-11) ABOVE]	11,20,924
	(vi) AMOUNT IN ADDITION TO AMOUNT REFERRED TO IN (iv) ABOVE, ACCUMULATED OR SET APART FOR SPECIFIED PURPOSES IF ALL THE CONDITIONS IN SECTION 11(2) AND 11(5) ARE FULFILLED (FILL OUT SCHEDULE I)	45,51,905
	(vii) AMOUNT ELIGIBLE FOR EXEMPTION UNDER SECTION 11(1)(C)	0
	(viii) TOTAL [12i+12ii+12iii+12iv+12v+12vi+12vii]	74,72,829
	ADDITIONS	
13.	(i). INCOME CHARGEABLE UNDER SECTION 11(1B)	0
	(ii). INCOME CHARGEABLE UNDER SECTION 11(3)	29,51,794
	(iii) INCOME IN RESPECT OF WHICH EXEMPTION UNDER SECTION 11 IS	0

	NOT AVAILABLE BY VIRTUE OF PROVISIONS OF SECTION 13	
	(A)BEING ANONYMOUS DONATION AT Diii OF SCHEDULE VC TO THE EXTENT APPLIED FOR CHARITABLE PURPOSE	0
	(B)OTHER THAN (A) ABOVE	0
	(iv)INCOME CHARGEABLE UNDER SECTION 12(2)	0
	(v) TOTAL ADDITIONS (13i+13ii+13iii+13iv)	29,51,794
14.	INCOME CHARGEABLE U/S 11(4) [AS PER ITEM NO. E36 OF SCHEDULE BP]	0
15.	TOTAL (9-11-12viii+13v+14)	74,72,829
16.	AMOUNT OF INCOME EXEMPT UNDER ANY CLAUSE OF SECTION 10, TO THE EXTENT THAT IS INCLUDED IN 15 ABOVE	0
17.	AMOUNT ELIGIBLE FOR EXEMPTION UNDER SECTION 10(21), 10(22B), 10(23A), 10(23B), 10(23C)(iv), 10(23C)(v), 10(23C)(vi), 10(23C)(via)	0
18.	AMOUNT ELIGIBLE FOR EXEMPTION UNDER SECTION 10(23C)(iiiab), 10(23C)(iiiac), 10(23C)(iiiad), 10(23C)(iiiiae), 10(24), 10(46), 10(47)	0
19.	AMOUNT ELIGIBLE FOR EXEMPTION UNDER ANY CLAUSE, OTHER THAN THOSE AT 17 AND 18, OF SECTION 10	0
20.	INCOME CHARGEABLE UNDER SECTION 11(3) READ WITH SECTION 10(21)	0
21.	INCOME CLAIMED/ EXEMPT UNDER SECTION 13A or 13B IN CASE OF A POLITICAL PARTY or ELECTORAL TRUST (FILL SCHEDULE LA or ET)	0
22.	INCOME CHARGEABLE TO TAX (9-11-12viii+13+14-17-18-19+20-21)	29,51,790
23.	LOSSES OF CURRENT YEAR TO BE SET OFF AGAINST 22 (TOTAL OF 2IX, 3IX AND 4IX OF SCHEDULE CYLA)	0
24.	GROSS TOTAL INCOME (22-23)	29,51,790
25.	INCOME CHARGEABLE TO TAX AT SPECIAL RATE UNDER SECTION 111A, 112 ETC. INCLUDED IN 21	0
26.	DEDUCTION U/S 10A OR 10AA	0
27.	DEDUCTIONS UNDER CHAPTER VIA (LIMITED TO 24 - 25)	0
28.	TOTAL INCOME (24-26-27)	29,51,790
29.	INCOME WHICH IS INCLUDED IN 28 AND CHARGEABLE TO TAX AT SPECIAL RATE (TOTAL OF I OF SCHEDULE SI)	0
30.	NET AGRICULTURAL INCOME FOR RATE PURPOSE	0
31.	AGGREGATE INCOME (28-29+30)	29,51,790
32.	ANONYMOUS DONATIONS TO BE	0

	TAXED U/S 115BBC @ 30%.	
33.	INCOME CHARGEABLE AT MAXIMUM MARGINAL RATES	49,49,724
34.	DEEMED TOTAL INCOME U/S 115JB OR 115JC	0
	TAX DETAILS	
35.	TAX PAYABLE ON DEEMED TOTAL INCOME U/S 115JB OR 115JC	0
36.	SURCHARGE	0
37.	EDUCATIONAL CESS	0
38.	TOTAL TAX PAYABLE U/S 115JB OR 115JC (35+36+37)	0
	TAX PAYABLE ON TOTAL INCOME	
39.	TAX AT NORMAL RATE on (31-32-33)	0
40.	TAX AT SPECIAL RATES	0
41.	TAX ON ANONYMOUS DONATIONS U/S 115BBC @ 30%	0
42.	TAX AT MAXIMUM MARGINAL RATE	14,84,917
43.	REBATE ON AGRICULTURAL INCOME	0
44.	TAX PAYABLE ON TOTAL INCOME (39+40+41+42-43)	14,84,917
45.	SURCHARGE (On 44)	0
46.	EDUCATION CESS INCLUDED SECONDARY & HIGHER EDU CESS ON (44+45)	44,548
47.	GROSS TAX LIABILITY (44+45+46)	15,29,465
48.	GROSS TAX PAYABLE (HIGHER OF 47 OR 38)	15,29,465
49.	CREDIT U/S 115JAA/115JD OF THE TAX PAID IN EARLIER YEARS	0
50.	TAX PAYABLE AFTER CREDIT U/S 115JAA/115JD (48-49)	15,29,465
	TAX RELIEF	
51.	RELIEF U/S 90/90A	0
52.	RELIEF U/S 91	0
53.	TOTAL RELIEF (51+52)	0
	TOTAL INCOME TAX LIABILITY	
54.	NET TAX LIABILITY (50-53)	15,29,465
	INTEREST PAYABLE	
55.	FOR DEFAULT IN FURNISHING THE RETURN (SECTION 234A)	0
56.	FOR DEFAULT IN PAYMENT OF ADVANCE PAYMENT (SECTION 234 B)	2,64,618
57.	FOR DEFERMENT OF ADVANCE TAX (SECTION 234C)	967
58.	INTEREST U/S 234D	0
59.	TOTAL INTEREST PAYABLE 59=(55+56+57+58)	2,65,585
60.	AGGREGATE INCOMETAX LIABILITY 60=(54+59)	17,95,050
	PRE-PAID TAXES	
61.	TDS	7,05,591
62.	TCS	0
63.	ADVANCE TAX	0
64.	SELF ASSESSMENT TAX	29,330

65.	REGULAR TAX PAID	0
66.	TOTAL TAX PAID 66=(61+62+63+64+65)	7,34,921
	TAX PAYABLE/REFUND	
67.	AMOUNT PAYABLE/REFUND AMOUNT 67=(60-66)	10,60,129
68.	INTEREST U/S 244A ON CURRENT AMOUNT	0
69.	TOTAL AMOUNT PAYABLE/ REFUND AMOUNT 69= (67+68)	10,60,129
70.	REFUND ALREADY ISSUED (incl. interest u/s 244A)	0
71.	BALANCE AMOUNT PAYABLE/REFUNDABLE (incl. provisional Interest u/s 244A till current order - if any) 71 = (69-70)	10,60,129
73.	AMOUNT PAYABLE/REFUNDABLE 73=(71+72)	10,60,129
74.	DEMAND IDENTIFICATION NO AGAINST ORIGINAL DEMAND	2018201637045295855T

*In case of refund, Refund Intimation cum Adjustment sheet will be issued subsequently and separate communication will be sent for that.

DURGAMBA TALLAPRAGADA
EXEMPTION WARD 1(2), HYD

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