PATHLAVATH PEERYA, IRS	Office of the **COMMISSIONER OF INCOME TAX (Exemptions)** Andhra Pradesh,Telangana & Odisha Address: 2nd Floor, Ayakar Bhawan, Basheer Bagh Hyderabad – 500 004, Telangana Email_id: hyderabad.cit.exmp@incometax.gov.in Ph. No. 040-23426032. FAX 040 23426033

F. No. CIT(E)/HYD/263(04)/AAATM5488Q/2020-21 Date: 04.01.2021

MODI PROPERTIES PVT. LTD. SEC'BAD
INWARD
No. 451
Date. 07/01/21
Sign.

To,
M/s M.C. Modi Educational Trust.
5-4-187/3&4, Soham Mansion,
MG Road,
Secunderabad – 500 003.

Sub: Assessment order passed u/s 143(3) of the IT Act, 1961 dt. 18.12.2018, for the A Y 2016-17, erroneous being prejudicial to the interest of Revenue – Requiring revision u/s 263 of the IT Act, 1961 of the said assessment order – Show cause notice u/s 263 of the IT Act – calling for explanation – Regarding.

...

Please refer to the subject mentioned above.

2. Consequent upon the CBDT's notification No. 65/2014 dt. 13.11.2014 (F. No. 187/38/2014 ITA -I) U/S 120 (1) & (2) of the Income Tax Act, 1961 (So No. 2754(E) published in Gazette of India, extraordinary part - II, sec 3(II) on 22-10-2014 & subsequent notification in this regard, jurisdiction over your case, stands assigned to CIT(E), Hyderabad.

3. I have called for and examined the assessment record for the A Y 2016-17, in your case and found that the assessment order dated 18-12-2018 passed u/s 143(3) of the IT Act, 1961 ("the Act" in short) in your case, by the ITO (Exemptions)-1(2), Hyderabad, is erroneous, in so far as, it is prejudicial to the interest of the revenue.

4. It is stated that for the A Y 2016-17, you had filed return of income on 03.07.2017 declaring income at 'NIL', after claiming exemption u/s 11 of the Act. The assessee was not registered u/s 12A. The assessment was completed by bringing the surplus of income over expenditure of Rs. 49,49,724/- to tax. It was observed that the assessee has accumulated an amount of Rs. 29,51,794/- u/s 11(2) in the FY 2009-10 but could not be utilized within time provided. Thus the same need to be taxed during the AY 2016-17. While completing the scrutiny assessment u/s 143(3), the AO has not considered this aspect. Hence, the order passed by the AO is erroneous in so far as it is prejudicial to the interest of revenue, as it did not address the issue of bringing to tax the unutilized accumulations of FY 2009-10.

5. ***As per section 11(3) of the Act, provides that where the income accumulated or set apart is not utilized for the purpose for which it is so accumulated or set apart during the period mentioned in clause (a) of section 11(2), it shall be deemed to be the income of the person of the previous year immediately following the expiry of the aforesaid period.***

6. For the failure on part of the AO in not making the above, the assessment made by the AO vide order u/s 143(3) of the Act, dt. 18.12.2018 for the A Y 2016-17, in your case, is thus erroneous, in so far as it is prejudicial to the interest of revenue. Hence, it is proposed to revise the said assessment made by the AO u/s 263 of the Act. However, before proceeding to revise the said assessment, you are hereby given an opportunity to furnish your explanation through mail or post on the said matter on or before **16.01.2021.** In case of failure to comply with this notice, issued u/s 263 of the Act, it will be presumed that you have nothing to say in the matter, and I shall proceed to pass necessary order in accordance with law.

(PATHLAVATH PEERYA)
Commissioner of Income Tax (Exemptions)
Hyderabad

भारत सरकार/ **GOVERNMENT OF INDIA**
वित्त मंत्रालय/ **MINISTRY OF FINANCE**
आयकर विभाग/ **INCOME TAX DEPARTMENT**
CIT(EXEMPTION), HYD

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

स्थायी लेखा संख्या/ PAN:	निर्धारण वर्ष/ AY:	द.प.सं. एवं प्रपत्राक संख्या / DIN & Document No.:	दिनांक/ Dated:
AAATM5488Q	**2016-17**	**ITBA/COM/S/91/2020-21/1029469942(1)**	**04/01/2021**

Intimation Letter

महोदय/महोदया/ मेसर्स,

Sir/ Madam/ M/s,

This is to inform you that Order/Notice/Letter dated 04/01/2021 is having Document No. (DIN) **ITBA/COM/M/17/2020-21/1029469905(1)**.

This is a system generated document and does not require any signature.

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.CIT.EXMP@INCOMETAX.GOV.IN, Office Phone:04023465981

*** DIN- Document identification No.**