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|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>आयकर विभाग</p> | <p>आयकर आयुक्त (छूट) का कार्यालय<br/>OFFICE OF THE<br/>COMMISSIONER OF INCOME TAX(Exemptions)<br/>2<sup>nd</sup> Floor, Ayakar Bhawan, Basheer Bagh,<br/>हैदराबाद - ५००००४ / Hyderabad - 500 004.<br/>e-mail: <a href="mailto:hyderabad.cit.exmp@incometax.gov.in">hyderabad.cit.exmp@incometax.gov.in</a>,<br/>Ph.No.040-23426031/32.</p> |
| F.No                                                                                               | F.No.CIT(E)/Hyd/36(12)/12A/2018-19                                                                                                                                                                                                                                                                                                         |
| Name of the Assessee                                                                               | M.C. Modi Educational Trust                                                                                                                                                                                                                                                                                                                |
| PAN                                                                                                | AAATM5488Q                                                                                                                                                                                                                                                                                                                                 |
| Address                                                                                            | 5-4-187/3 & 4, Soham Mansion, M.G.Road,<br>Secunderabad-500003, Telangana                                                                                                                                                                                                                                                                  |
| Date of application by the Assessee                                                                | 31.12.2018                                                                                                                                                                                                                                                                                                                                 |
| Date of Order                                                                                      | 28.06.2019.                                                                                                                                                                                                                                                                                                                                |

### **ORDER U/S.12AA(1)(b)(ii) OF THE INCOME TAX ACT, 1961**

The assessee filed e-application in Form No.10A seeking registration u/s.12A of the Income Tax Act, 1961 ('the Act' in short) on 31.12.2018.

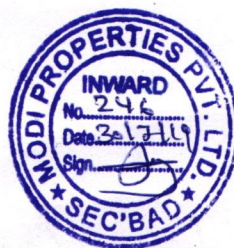
2. A notice dated 03.05.2019 was issued to the applicant, to the address mentioned in Form 10A, to appear and produce its original Memorandum of Association (MoA)/Trust Deed for verification and to furnish a detailed reply on specific points on 21.05.2019.

#### **3. Invalid Trust Deed:**

(a) During the course of hearing, the assessee's Authorized Representative Sri Ajay Mehta was pointed out to the scrutiny assessment order in this case for A.Y. 2016-17. He was required to explain about the deficiencies pointed out in the assessment order. The para No.8 of the said scrutiny assessment order passed by ITO (E)-2, Hyderabad is extracted as under:

*"The assessee has filed a copy of an Trust Deed dated 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 settler and witnesses this deed cannot be accepted as valid trust deed. The deed is also not registered".*

(b) The assessee stated that the original trust deed dated 15.11.1955 has been lost and that a true copy of the same is certified by Asst. Commissioner, Endowments department, Hyderabad. The said true copy was perused and the



same was not containing the signature of settler of the trust nor signatures of the trust members nor signature of the witnesses. In these circumstances, when the signature of the settler is itself not available, the genuineness of the trust deed cannot be ascertainable. Therefore, the said document which is claimed to be the true copy of the original trust deed has no legal locus standi and cannot be considered as a valid trust deed. In these circumstances, as the formation, objects and bye-laws of the trust are not supported by a valid trust deed, the genuineness of the trust is in doubt. Hence, registration U/s.12A cannot be granted.

#### 4. No independent charitable activities:

The assessee was required to submit details of beneficiaries of the activities undertaken along with evidence. The assessee submitted that the list of activities which is extracted as under:

| M.C. Modi Education Trust               |                                         |            |      |            |                                                                                   |             |                                          |                              |
|-----------------------------------------|-----------------------------------------|------------|------|------------|-----------------------------------------------------------------------------------|-------------|------------------------------------------|------------------------------|
| Details of Donations paid for A.Y.16-17 |                                         |            |      |            |                                                                                   |             |                                          |                              |
| Sl.No.                                  | Name                                    | Cheque No. | Bank | Date       | Address                                                                           | Receipt No. | BOG No./12A                              | Amount                       |
| 1                                       | Narsing Swain Memorial Trust            | 124        | HDFC | 21-03-2016 | "Akar Asha", C/o. Sivananda Rehabilitation Home, Kukatpally, Hyderabad - 500 072. | 87          | F.No.DIT(E)/HYD/80<br>G/76(3)/08-09      | 600,000.00                   |
| 2                                       | The Haematology Foundation of Hyderabad | 123        | HDFC | 21-03-2016 | Lake View Palace, Opp: Banjara Lake, Road No.1, Hyderabad - 500 034.              | 105         | DIT(E)<br>HYD/47(06)/06-07               | 1,200,000.00<br>1,800,000.00 |
| Details of Donations paid for A.Y.17-18 |                                         |            |      |            |                                                                                   |             |                                          |                              |
| 1                                       | Shadan Degree College for Women         | 138        | HDFC | 28-07-2016 | -                                                                                 | -           | -                                        | 16,500.00                    |
| 2                                       | Heal A Child Foundation                 | 142        | HDFC | 04-11-2016 | -                                                                                 | -           | -                                        | 50,000.00                    |
| 3                                       | Tapadia & Modi Medical Foundation       | 90         | HDFC | 02-02-2017 | 1-7-1072/A, RTC X Road, Musheerabad, Hyderabad                                    | -           | CITE/Hyd/119(06)/<br>101 12A&80G/2016-17 | 100,000.00                   |
| 4                                       | Tapadia & Modi Medical Foundation       | 97         | HDFC | 20-03-2017 | 1-7-1072/A, RTC X Road, Musheerabad, Hyderabad                                    | -           | CITE/Hyd/119(06)/<br>001 12A&80G/2016-17 | 1,200,000.00                 |
| 5                                       | Narsing Swain Memorial Trust            | 151        | HDFC | 22-07-2017 | "Akar Asha", C/o. Sivananda Rehabilitation Home, Kukatpally, Hyderabad - 500 072. | 102         | F.No.DIT(E)/HYD/80<br>G/76(3)/08-09      | 1,200,000.00<br>2,566,500.00 |
| Details of Donations paid for A.Y.18-19 |                                         |            |      |            |                                                                                   |             |                                          |                              |
| 8                                       | Vignan Bharathi Institute of Technology | 207        | HDFC | 26-07-2017 | -                                                                                 | -           | -                                        | 25,000.00                    |
| 9                                       | Shadan Degree College for Women         | 158        | HDFC | 13-10-2017 | -                                                                                 | -           | -                                        | 10,000.00                    |
| 10                                      | Sanskriti Shikar                        | 161        | HDFC | 24-10-2017 | 1-8-505/A/B/1, Prakash Nagar, Punjagutta Secunderabad - 3.                        | 316         | F.No.DIT(E)/HYD/80<br>G/Ren/220(4)/09-10 | 100,000.00                   |
| 11                                      | Multiple Sclerosis Society of India     | 580351     | Yes  | 27-01-2018 | 8-2-589/11A, Road No.8, Banjara Hills, Hyderabad - 500 034.                       | 51          | 1708/2003-10                             | 100,000.00                   |
| 12                                      | Sanskriti Shikar                        | 580352     | Yes  | 01-02-2018 | 1-8-505/A/B/1, Prakash Nagar, Punjagutta Secunderabad - 3.                        | 320         | F.No.DIT(E)/HYD/80<br>G/Ren/220(4)/09-10 | 100,000.00<br>335,000.00     |

5. It can be seen from the above table that the assessee has not conducted any independent charitable activities. The assessee has merely made some donations to various other agencies/societies/organizations. In the three years for which the assessee submitted details of activities conducted i.e. A.Y. 2016-17, A.Y. 2017-18 and A.Y. 2018-19, it is seen that the entire amount is towards donation only without any independent charitable activity on its own. Donations have also been paid to organizations which do not have 80G namely Shadan Degree College for Women, Heal A Child Foundation and Vignan Bharathi Institute of Technology which is in violation of requirements of an organization seeking registration U/s.12A.

6. 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.



Sd/-

(डॉ. दीपक पी रिपोटे)

(DR. DIPAK P RIPOTE)

आयकर आयुक्त (छूट)/Commissioner of Income Tax (Exemptions)

हैदराबाद/ Hyderabad

To

M.C. Modi Educational Trust,  
5-4-187/3 & 4,  
Soham Mansion,  
M.G.Road,  
Secunderabad-500003,  
Telangana.

Copy to:

1. The Addl. CIT (Exemptions), Hyderabad.
2. The ITO(E)-2, Hyderabad.

(डॉ. दीपक पी रिपोटे)

(DR. DIPAK P RIPOTE)

आयकर आयुक्त (छूट)/Commissioner of Income Tax (Exemptions)

हैदराबाद/ Hyderabad