

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH "SMC", PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

आयकर अपील सं. / ITA No.33/PUN/2020

निर्धारण वर्ष / Assessment Year : 2016-17

Das Bahuuddeshy Vishwast Sanstha, Das Bunglow, Vishrambag, Sangli – 416 415 PAN : AAAAD77769E	<b>Vs.</b>	Exemption Ward, Kolhapur
(Appellant)		Respondent)

Appellant by

Shri M.K. Kulkarni

Respondent by

Shri Rajesh Gawali

Date of hearing

04-05-2022

Date of pronouncement

04-05-2022

आदेश / ORDER

PER R.S.SYAL, VP :

This appeal by the assessee is directed against the order passed by the CIT (Appeals) -2, Kolhapur on 23-10-2019 in relation to the assessment year 2016-17.

2. The only issue raised in this appeal is against the confirmation of addition of Rs.15.00 lakh made by the Assessing Officer (AO).

3. Briefly stated, the facts of the case are that the assessee is a trust registered under Bombay Public Trust Act, 1950 and running one school named as MLA Suresh Bhau Khade English Medium School. Return was filed declaring total income at Nil. During the

course of assessment proceedings, the AO observed from the Balance sheet of the assessee that a sum of Rs.15.00 lakh was added to Building Fund. On being called upon to explain the source of the above, the assessee submitted that the amount was directly transferred to the assessee's bank account from the account of Datta Dagdu Khade, one of the trustees of the assessee-trust. The amount was stated to be taken directly to the balance sheet because it was a donation with a specific direction for Building. Not convinced, the AO made addition of Rs.15.00 lakh. In the first appeal, the Id. CIT(A) affirmed the addition, against which the assessee has come up in appeal before the Tribunal.

4. Having heard both the sides and gone through the relevant material on record, it is seen as an admitted position that the assessee received a sum of Rs.15.00 lakh from one of its trustees, which amount was spent on building construction of the school. The case of the assessee is that the amount was a corpus donation and hence, not chargeable to tax, which has been jettisoned by the authorities by treating it as a chargeable receipt. Admittedly, the amount was not taken to Income and Expenditure Account but was taken straightaway to the balance sheet. During the course of assessment proceedings it was categorically stated that it was

received from one of the trustees with a specific direction. In view of the fact that the said sum of Rs.15.00 lakh was received by the assessee from one of the trustees towards building fund and was taken to the balance sheet only, amply shows that it was received as a corpus donation and hence not chargeable to tax. I, therefore, overturn the impugned order and delete the addition.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 04<sup>th</sup> May, 2022.

**Sd/-**  
**(R.S.SYAL)**  
**उपाध्यक्ष/ VICE PRESIDENT**

पुणे Pune; दिनांक Dated : 04<sup>th</sup> May, 2022  
*Satish*

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order is forwarded to :**

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-2, Kolhapur
4. The Pr.CIT-2, Kolhapur  
विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "SMC"
5. / DR 'SMC', ITAT, Pune;
6. गार्ड फाईल / Guard file.

**आदेशानुसार/ BY ORDER,**

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	04-05-2022	Sr.PS
2.	Draft placed before author	04-05-2022	Sr.PS
3.	Draft proposed & placed before the second member	--	JM
4.	Draft discussed/approved by Second Member.	--	JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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