

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'SMC' BENCH  
MUMBAI**

**BEFORE: SHRI M.BALAGANESH, ACCOUNTANT MEMBER  
&  
SHRI KULDIP SINGH, JUDICIAL MEMBER**

**ITA No.7825/Mum/2019  
(Assessment Year :2006-07)**

The United Church of Northern India Trust Association Omega 19 August Kranti Marg Mumbai- 400 007	Vs.	ITO (E)(1)(1) 505, 5 <sup>th</sup> Floor Piramal Chambers Lalbaug, Parel Mumbai – 400 012
<b>PAN/GIR No.AAATT0824F</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

Assessee by	Shri Nitesh Joshi
Revenue by	Shri Rajat Mittal
<b>Date of Hearing</b>	<b>04/05/2022</b>
<b>Date of Pronouncement</b>	<b>19/05/2022</b>

**आदेश / O R D E R**

**PER M. BALAGANESH (A.M):**

This appeal in ITA No.7825/Mum.2019 for A.Y.2006-07 arises out of the order by the Id. Commissioner of Income Tax (Appeals)-1, Mumbai in appeal No.CIT(A)-1/23/ITO(E)-1(1)/2014-2015 dated 22/10/2019 (Id. CIT(A) in short) against the order of assessment passed u/s.143(3) r.w.s. 147 of the Income Tax Act, 1961 (hereinafter referred to as Act) dated 12/03/2014 by the Id. Income Tax Officer (E)-1(1), Mumbai (hereinafter referred to as Id. AO).

2. The only issue to be decided in this appeal is as to whether the Id. CIT(A) was justified in confirming the addition made in the sum of Rs.14,37,000/- being an amount of re-investment in bonds of HDFC Bank in the facts and circumstances of the instant case.

3. We have heard rival submissions and perused the materials available on record. We find that assessee is a public charitable trust duly registered u/s.12A of the Income Tax Act and also registered with Charity Commissioner, Mumbai. It is not in dispute that assessee is entitled for exemption u/s.11 of the Act. The return of income for the A.Y.2006-07 was filed by the assessee trust alongwith audited balance sheet, income and expenditure account and audit report declaring total income of Rs.Nil after claiming exemption u/s.11 of the Act. The Id. AO received computer based AIR information regarding the transaction carried out by the assessee in the sum of Rs.14,37,000/-. Accordingly, the assessment of the assessee was sought to be reopened by issue of notice u/s.148 of the Act on 25/03/2013. The assessee did not file any return in response to notice u/s.148 of the Act. Despite that the assessee was given reasons for reopening the assessment by the Id. AO. The Id. AO observed that AIR information reflected the transaction of investment of Rs.14,37,000/- made by the assessee was not explained by the assessee, hence, he added the same to the total income of the assessee and completed the assessment. The assessee pleaded before the Id. CIT(A) that the information furnished by the assessee explaining the AIR details were not considered by the Id. AO and detailed submissions were made before the Id. CIT(A) also. The Id. CIT(A) without appreciating the contentions of the assessee confirmed the action of the Id. AO. Aggrieved by which, the assessee is in appeal before us.

3.1. At the outset, AIR information transaction of Rs.14,37,000/- represent amount invested in HDFC bonds by the assessee. This transaction of investment in HDFC bonds is already duly reflected in the audited balance sheet of the assessee trust. The audited financial statements for the year under 31/03/2006 together with the audit report thereon are enclosed from pages 4-13 of the paper book file. We find that assessee had furnished the Bank of Baroda statement during the assessment proceedings and this bank account maintained with Bank of Baroda is a disclosed bank account as is evident from page 11 of the paper book in the Schedule for bank balances from the audited financial statements. The assessee also made detailed submissions before the Id. AO by enclosing the bank statements of Bank of Baroda from where various cheques for making investment in HDFC bank were reflected out of existing bank funds together with HDFC bond certificates issued by HDFC bank for making investment in bonds totalling to Rs.14,37,000/-. All these documents were duly enclosed before the Id. AO. These documents are enclosed from pages 26-36 of the paper book filed. Hence, it is abundantly clear that this transaction of Rs.14,37,000/- represent investment made in Government notified bonds which is an approved investment contemplated u/s.11 (5) of the Act and the said investment of Rs.14,37,000/- has been already duly reflected in the books of accounts of the assessee trust. The sources for making that investment also stand proved beyond doubt. We also find that the Id. CIT(A) in page 5 para 6.3 of the order had also stated that the investment made in the past by the assessee got matured and the same has been re-invested during this year. If this is so, where is the need to treat the fresh investment made by the assessee as unexplained ? Hence, there is no scope for making any addition towards unexplained investment. Accordingly, the grounds raised by the assessee are allowed.

**4. In the result, appeal of the assessee is allowed.**

Order pronounced on 19/ 05 /2022 by way of proper  
mentioning in the notice board.

**Sd/-**  
**(KULDIP SINGH)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(M.BALAGANESH)**  
**ACCOUNTANT MEMBER**

Mumbai; Dated 19/ 05 /2022  
KARUNA, *sr.ps*

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. The CIT(A), Mumbai.
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar)  
ITAT, Mumbai