

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: 'SMC' NEW DELHI**

SHRI SAKTIJIT DEY, JUDICIAL MEMBER

ITA No.1080/Del/2021
Assessment Year: 2018-19

Satpriya Memorial Trust, 11,0.5 KM Milestone, Jind Road, VPO Singhpura PIN:124001 (Hr.)	Mahamia Educational	Vs.	Deputy CIT, Central Processing Centre, Bangalore
PAN :AAETS0270Q			
(Appellant)			(Respondent)

Appellant by	Shri Gautam Jain, Adv. & Shri Lalit Mohan, CA
Respondent by	Shri Om Parkash, Sr. DR

Date of hearing	21.07.2022
Date of pronouncement	19.10.2022

ORDER

This is an appeal by the assessee against order dated 07.08.2021 passed by the National Faceless Appeal Centre (NFAC), Delhi for the assessment year 2018-19.

2. The dispute in the present appeal is confined to disallowance of exemption claimed under Section 11(1)(d) of the Income-Tax Act, 1961 in respect of an amount of Rs.39,78,000.

3. Briefly, the facts are, the assessee is a charitable trust registered under Section 12AA of the Act. For the assessment year under dispute, assessee filed its return of income under Section 139(1) of the Act, claiming exemption under Section 11 of the Act. While processing the return filed by the assessee under Section 143(1) of the Act, the Centralized Processing Centre (CPC), Bangalore made addition of an amount of Rs.39,78,000 to the income of the assessee. Against the intimation issued under Section 143(1) of the Act by the CPC, the assessee preferred an appeal before the First Appellate Authority on the ground that the addition made, since, represents corpus donation received during the year, it is allowable under Section 11(1)(d) of the Act. In course of proceedings before the First Appellate Authority, the assessee submitted that due to an inadvertent mistake committed while filling up the return of income, wherein, the corpus donation of Rs.39,78,000 was shown as income from other sources, the addition has been made. To support its claim, the assessee also furnished a revised computation of income.

4. Learned Commissioner (Appeals), however, did not find merit in the submissions of the assessee, accordingly, upheld the addition.

5. I have considered rival submissions and perused the material on record.

6. Undisputedly, in the year under consideration, the assessee had received corpus donation of Rs.39,78,000, which is exempt under Section 11(1) (d) of the Act. There is no dispute that the assessee, being a trust registered under Section 12AA of the Act, is eligible to claim exemption under Section 11 of the Act. In fact, in the return of income filed for the impugned assessment year the assessee had claimed the corpus donation of Rs.39,78,000 to be exempt under Section 11(1)(d) of the Act. However, due to inadvertent clerical error, the very same corpus donation was shown as income from other sources. While processing the return of income under Section 143(1) of the Act, the CPC assuming that it is a separate item of income treated it as income of the assessee on which exemption under Section 11 is not available.

7. Undisputedly, before the First Appellate Authority, the assessee did file a revised computation of income rectifying the mistake committed in the return of income. However, it is evident, without

properly appreciating assessee's submissions and facts on record, the First Appellate Authority rejected assessee's claim.

8. On perusal of the intimation issued under Section 143(1) of the Act, by the CPC, a copy of which is available on record, it is tell tale that the corpus donation of Rs.39,78,000 was again inadvertently shown as income from other sources in the return of income. The revised computation of income filed by the assessee and the financial statement clearly clarify the factual position. In this view of the matter, the corpus donation of Rs.39,78,000 received by the assessee, which is otherwise exempt under Section 11(1)(d) of the Act, cannot be treated as income of the assessee only because the assessee has erroneously offered it as income from other sources. More so, when the nature of receipt as corpus donation has not been disputed by the Revenue. Accordingly, I delete the addition of Rs.39,78,000.

9. In the result, the appeal is allowed.

Order pronounced in the open court on 19th October, 2022.

Sd/-
(SAKTIJIT DEY)
JUDICIAL MEMBER

Dated: 19th October, 2022.
Mohan Lal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi