

| आयकर अपीलिय अधिकरण न्यायपीठ, कोलकाता |
IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, KOLKATA

BEFORE DR. MANISH BORAD, HON'BLE ACCOUNTANT MEMBER
&
SHRI PRADIP KUMAR CHOUBEY, HON'BLE JUDICIAL MEMBER

I.T.A. No. 340/Kol/2024
Assessment Year: 2020-21

Kulti Mahotsav Committee B.C. Lane, P.O. Kulti District - Burdwan West Bengal - 713343 [PAN : AAETK1236G]	Vs	Income Tax Officer, Ward
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अपीलार्थी/ (Appellant)	प्रत्यर्थी/ (Respondent)
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Assessee by :	None
Revenue by :	Shri Nicholas Murud, Addl. CIT, Sr. D/R

सुनवाई की तारीख/Date of Hearing : 02/05/2024
घोषणा की तारीख /Date of Pronouncement: 11/06/2024

आदेश/ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

The present appeal is directed at the instance of the assessee against the order of the learned Commissioner of Income Tax (Appeals)/Addl/JCIT(A)-4, Delhi (hereinafter the "ld. CIT(A)") dt. 20/12/2023, passed u/s 250 of the Income Tax Act, 1961 ("the Act") for Assessment Year 2020-21.

2. When the case was called for hearing, none appeared on behalf of the assessee. No application for adjournment has been filed. Under these circumstances, we proceed to adjudicate the instant appeal *ex-parte qua* the assessee, on the basis of available records and hearing the ld. D/R.

3. On perusal of the grounds of appeal we notice that, the sole grievance of the assessee is against the addition of Rs.8,90,723/- made

by the Id. Assessing Officer/CPC treating gross receipts as income and not allowing any deduction of the expenditure incurred during the year. The Id. D/R supported the order of the lower authorities.

4. We have heard rival contentions and perused the material placed before us. We notice that the assessee is a Trust formed on 18/11/2019 with the main object of organizing cultural events at the annual cultural even called Kulti Mahotsav and also to promote Arts, create health awareness, help people in need of food, clothing, education and medical treatment, skill development etc. The assessee has not applied for any registration u/s 12A of the Act and, therefore, is not eligible for exemption u/s 11 of the Act. We also note that the assessee has filed the return on Form No. 7 on 24/03/2021 but has inadvertently claimed the exemption u/s 11 for the gross receipts of donation of Rs.8,90,330/-. In the appeal set, the assessee has filed computation of income along with copy of the income tax return with all its annexures. Copy of audited income and expenditure account and balance sheet has also been filed. Perusal of the same indicates that there is a general trust fund of Rs.10,000/- and certain loans and advances have been taken from the members for the purpose of carrying out the activities. Further, during the year, as against donation of Rs. 8,90,330/- and savings bank a/c interest of Rs. 393/-, assessee has incurred expenditure to the tune of Rs.10,77,630/- which includes decoration, conveyance, flower bouquet, food, musician payments etc. Going through the income and expenditure account clearly indicates that the assessee trust is working for the cultural and charitable purposes and whatever funds they

realize from its member or donation, the same is applied for the purpose of the Trust and even if the assessee is not registered u/s 12A of the Act but it is certainly eligible for deduction of expenditure incurred during the year against the gross receipts. Therefore, considering the assessee as an Association of persons, the net income is subject to taxation and since during the year, the assessee has incurred loss of Rs.1,86,907/-, there remains no room for making addition of gross receipt. Thus, we set aside the finding of the lower authorities and the addition of Rs.8,90,723/- is deleted.

5. In the result, appeal of the assessee is allowed.

Order pronounced in the Court on 11th June, 2024 at Kolkata.

Sd/-
(PRADIP KUMAR CHOUBEY)
JUDICIAL MEMBER

Sd/-
(DR. MANISH BORAD)
ACCOUNTANT MEMBER

Kolkata, Dated 11/06/2024

SC SpA

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

1. अपीलार्थी / The Assessee
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण, कोलकाता/DR,ITAT, Kolkata,
6. गार्ड फाई/ Guard file.

आदेशानुसार/ BY ORDER,
TRUE COPY

Assistant Registrar
 आयकर अपीलीय अधिकरण
 ITAT, Kolkata