

आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर  
IN THE INCOME TAX APPELLATE TRIBUNAL  
INDORE SMC BENCH, INDORE

**BEFORE SHRI MANISH BORAD, ACCOUNTANT MEMBER**

ITA No.238/Ind/2024  
(Assessment Year: 2016-17)

Sangeeta Godha, E-3/18-19, Arera Colony, Bhopal	Vs.	ITO 2(3), Bhopal
(Appellant / Assessee)		(Respondent/ Revenue)
<b>PAN: ABDPG0142Z</b>		
Assessee by	Ms. Nisha Lahoti, AR	
Revenue by	Shri Ashish Porwal, Sr.DR	
Date of Hearing	01.08.2024	
Date of Pronouncement	05.08.2024	

**O R D E R**

This appeal by the assessee is directed against the order dated 13.03.2023 of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centers,(NFAC), Delhi for A.Y.2016-17 which is arising from the assessment order u/s 143(3) of the Act dated 12.11.2018.

2. Assessee has raised following grounds of appeal:

*"1. That on the facts and in the circumstance of the case and in law, the Ld. CIT(A) erred and is not justified in sustaining addition of Rs. 6,37,415 which is bad in law and therefore be deleted.*

*2. That on the facts and in the circumstances of the case and in law it be held that the assessee had no income of Rs. 6,37,415 under section 56 of the I.T Act and therefore the addition is unlawful and kindly be deleted*

*3. That on the facts and in the circumstances of the case and in law the levy of interest in the section u/s. 234A at Rs. 6228 and Rs. 33216 u/s. 234B are unlawful and without jurisdiction and therefore be deleted".*

3. Brief facts of the case are that the assessee is an individual and declared income of Rs.7,51,170/- in the return of income for Assessment Year 2016-17 furnished on 30.03.2017. Case selected for complete scrutiny under CASS followed by validly issuing and serving notices u/s 143(2) and 142(1) of the Act. During the course of assessment proceedings Ld. A.O noticed that the assessee has claimed exempt income u/s 10(2A) of the Act at Rs. 1,77,63,894/- on account of share profit from various partnership firms. However in one of the partnership firm M/s Arti Agrawal the exempt income claimed was Rs.63,07,148/- but when Ld.A.O examined the copy of account of the assessee in the capacity of the partner of the firm, noticed that share of profit is only Rs. 56,69,733/-. Ld. A.O has observed that the assessee has claimed higher exempt income at Rs.6,37,415/-. Though it was claimed by the assessee that it is an inadvertent mistake but Ld. A.O was not satisfied and he made addition of Rs.6,37,415/- assessing total income at Rs.13,88,555/- and exempt income assessed at Rs.1,71,26,479/-.

4. Aggrieved assessee preferred an appeal before Ld. CIT(A) but failed to get any relief.

5. Aggrieved assessee is now in appeal before this Tribunal. Ld. AR supported the submissions made before the lower authorities.

6. On the other hand Ld. Departmental Representative supported the orders of both the lower authorities.

7. I have heard rival contentions and perused the records placed before us. The only issue for my consideration is the addition of Rs.6,37,415/- made on account of excess claim of exempt income. The assessee is a partner in various partnership firms and the total amount of share of profit claimed exempt u/s 10(2A) of the Act is Rs.1,77,63,894/-. Except for the amount of share of profit from M/s Arti Agrawal. Ld. Assessing Officer has accepted the remaining amount of exempt income claimed from share of profit from other partnership firms. So far as the share of profit from M/s Arti Agrawal is concerned, in the return of income assessee has shown share of profit of Rs.63,07,148/- but during the assessment proceedings when Ld. A.O examined the balance sheet of M/s. Arti Agrawal he observed that the correct amount of share of profit is only Rs.56,69,733/-. The assessee on multiple occasions has submitted before the lower authorities that it was an inadvertent mistake committed by the person who filed the return mentioning a wrong amount.

7.1 I, further observe that during the course of assessment proceedings itself the assessee furnished all the details of the share of profit from various partnership firms including that of M/s Arti Agrawal. The correct procedure for the assessee was to revise the income tax return by correcting the amount but apparently assessee was not aware of the inadvertent mistake committed in the return filed by the consultant and the time to file revised return lapsed. But it was only during the course of assessment proceedings this error of incorrect figure came to her knowledge. I find that this is not a case where the assessee has earned the exempt income from any other source for which the assessee herself has to prepare the details of income and expenditure. The case before me is of share of profit from partnership firm which is duly supported by the balance sheet, confirmation of amount and PAN details of the partnership firm. Inadvertent mistake can be committed but it certainly cannot be taken against the assessee if sufficient evidence is placed to prove such inadvertent mistake. Once when the assessee has accepted the mistake and the correct amount of share of profit was placed before Ld. A.O then he ought to have accepted that the assessee has unknowingly mentioned the wrong amount of share of profit u/s 10(2A) of the Act and there being no evidence on record placed by the revenue suggesting that assessee has converted the taxable/undisclosed income into exempt income.

7.2 Therefore under the given facts and circumstances of the case and giving the benefit of doubt to the assessee for the inadvertent mistake committed in filing the return of mentioning wrong figure of share of profit from the partnership firm M/s Arti Agrawal, I hereby reverse the finding of Ld. CIT(A) and delete the impugned addition of Rs.6,37,415/-. Accordingly the impugned addition is deleted. Ground No. 1 & 2 raised by the assessee are allowed. Ground No.3 being consequential in nature needs no adjudication.

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

Order pronounced in the open court on 05.08.2024.

**Sd/-**

**(MANISH BORAD)**  
Accountant Member

**Indore, \_ 05.08.2024**

**Dev/Sr. PS**

*Copies to: (1) The appellant  
(2) The respondent  
(3) CIT  
(4) CIT(A)  
(5) Departmental Representative  
(6) Guard File*

*By order*

*Sr. Private Secretary  
Income Tax Appellate Tribunal  
Indore Bench, Indore*

