

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH, NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
SHRI K.M. ROY, ACCOUNTANT, MEMBER

ITA no.503/Nag./2024
(Assessment Year : 2018-19)

Sant Shankar Maharaj Aashram
1, Pimpulkutha, Dhamangaon
Amravati 444 905 PAN – AAHTS0026K

..... Appellant

v/s

Dy. Commissioner of Income Tax
Exemption Circle, Nagpur

..... Respondent

Assessee by : Shri Mahavir Atal
Revenue by : Shri Sandipkumar Salunke

Date of Hearing – 03/03/2025

Date of Order – 21/03/2025

ORDER

PER K.M. ROY, A.M.

Instant appeal by the assessee challenging the impugned order dated 09/09/2024, passed by the National Faceless Appeal Centre, Delhi, [“learned CIT(A)”], for the assessment year 2018-19.

2. The assessee has raised following grounds:-

“1. Whether the learned CIT(Appeals) was justified in affirming the order of the Assessing Officer who made addition of the entire gross receipts to the tune of Rs. 5,64,00,808/- as income of the appellant u/s 69A of the Income Tax Act, 1961.

add of alter any other ground at the 2. Assessee craves leave to add or alter any time of hearing.”

3. Brief facts are, the assessee is registered as a Public Charitable Trust under the Bombay Public Trust Act, 1950 and is also registered under section

12AA vide CIT-III, Nagpur's order in F.No CITIII/12AA/20-05-2009-10 dated 26/2/2010. The trust is running 6 educational institutions in which 2000 students are studying. There is also a hostel and temple. The assessee filed Form-10B on 10/10/2016 before filing return of income for the assessment year under consideration. The return of income was filed by the assessee trust on 11/10/2018 declaring nil income after claiming exemption under section 11 of the Income Tax Act, 1961 ("*the Act*"). Statutory notices were issued by the Assessing Officer in response to which the assessee trust filed partial submission on e-filing portal on 12/2/2020. The Assessing Officer, on perusal of the record, found that the reply filed by the assessee trust is not relevant for the year under consideration. Subsequently, the assessee trust was asked to file complete details. However, the assessee furnished same set of reply which were filed earlier. Again a reminder letter was sent by the Assessing Officer on 8/1/2021, which also went unanswered. Penalty proceedings under section 272A(1)(d) were initiated for non-compliance. There was no response to penalty notice issued under section 142(1). Even after multiple reminders, there was no response from the assessee trust. The Assessing Officer was of the view that the details given pertain to the assessment year 2019-2020 and not relevant to the year under consideration. No response was received during scrutiny proceedings. The assessee trust chose to be non-cooperating. Hence, CASS reasons were examined and the assessment was completed based on materials available on record. The assessee has declared substantial receipts as '*other income*' as per Schedule AI vis-a vis gross receipts of the assessee i.e., receipts from trusts. Since no

relevant materials were provided by the assessee to any of the queries raised, the other income reported in the Schedule-AI was not verified by the Assessing Officer. But since it is declared in the return of income, the Assessing Officer was of the view that the same can be taken at face value. The assessee failed to furnish any kind of supporting evidence to prove the claim of "Other Income" reported in the Schedule AI, and the same was disallowed and added to the returned income. Thus, the addition of ₹ 5,64,00,808, was proposed in the assessment order.

4. On appeal, the learned CIT(A) upheld the addition made by the Assessing Officer and dismissed the appeal of the assessee by holding as under:-

"No new information was brought out in the appeal proceedings. No new material evidence was also brought in during appeal proceedings. Taxpayer is a Public Charitable Trust registered u/s 12AA. Even though details of other income and the source of the same are n available on record, the fact that this income is declared in the IT return makes it taxable under the provisions of the Act. As far as appeal proceedings are concerned no new evidence / explanation / submission was brought out during appeal proceedings. Considering the facts of the case the other income declared in the IT return is held to be rightfully brought to tax. Addition of Rs.5,64,00,808 is upheld."

5. Having heard the rival parties and on a perusal of the material available on record, we find that both the orders of the authorities below are found to be cryptic in nature and there was no effective participation by the learned Authorised Representative for the assessee at any point of time. It is beyond human intelligence when an income is already disclosed in the return of income, how it can be reportedly added leading to an abnormal case of double taxation. Be that as it may, the entire matter is restored to the file of

the learned Jurisdictional Assessing Officer to perform de novo assessment after providing reasonable opportunity of being heard to the assessee.

6. In the result, assessee's appeal stands allowed for statistical purposes.

Order pronounced in the open Court on 21/03/2025

Sd/-
V. DURGA RAO
JUDICIAL MEMBER

Sd/-
K.M. ROY
ACCOUNTANT MEMBER

NAGPUR, DATED: 21/03/2025

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur