



IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.217/PUN/2026

Assessment Year : 2020-21

Meher Palliative Care Trust, Plot No.1, Gat 515/1/1, Behind Stone Terrace Cond. Post Meherabad Arangaon, Tal Dist. Ahilyanagar - 414001 Maharashtra PAN : AAETM1969Q	Vs.	CIT (Exemption), Nashik
Appellant		Respondent

Appellant by	:	Shri Prasad Bhandari
Respondent by	:	Shri Dayanand Jawalikar
Date of hearing	:	10.03.2026
Date of pronouncement	:	13.03.2026

**आदेश / ORDER**

The captioned appeal at the instance of assessee pertaining to A.Y.2020-21 is directed against the order dated 10.12.2025 framed by National Faceless Appeal Centre, Delhi arising out of Assessment Order dated 06.09.2022 passed u/s. 143(3) r.w.s.144B of the Income Tax Act, 1961 (in short 'the Act').

2. Assessee has raised following grounds of appeal :

*"All the following grounds are independent and without prejudice to each other -*

1. *On the facts and in the prevailing circumstances of the case and in Law, the Ld. CIT(A)-NFAC erred in confirming the addition made the Ld. Assessing Officer without appreciating the fact that the Ld. Assessing Officer has completed the assessment by issuing the invalid notices including the show cause notice, thereby making the entire assessment proceedings bad in law. Hence, the addition of Rs. 16,05,432 may please be deleted.*



2. On the facts and in the prevailing circumstances of the case and in Law, the Ld. CIT(A)-NFAC erred in confirming the addition made the Ld. Assessing Officer without appreciating the fact that the notice under section 143(2) has been issued by JAO instead of FAO, thereby violating the provisions of Faceless Assessment. Hence, the addition of Rs. 16,05,432 may please be deleted.

3. On the facts and in the prevailing circumstances of the case and in Law, the Ld. CIT(A)-NFAC erred in confirming the addition made the Ld. Assessing Officer without appreciating the submission made by the assessee before the Ld. Assessing Officer. Therefore, the addition of Rs. 16,05,432 may please be deleted.

4. On the facts and in the prevailing circumstances of the case and in Law, the Ld. CIT(A)-NFAC erred in confirming the addition made the Ld. Assessing Officer without any cogent reasons and justification on merit. Therefore, the addition of Rs. 16,05,432 may please be deleted.

5. The Appellate craves the permission to add, amend, modify, alter, revise, substitute, delete any or all grounds of the appeal, if deemed necessary at the time of hearing of the appeal.”

3. I will first take up the legal issue raised in Grounds of appeal No.1 and 2 challenging the validity of the assessment proceedings.

4. At the outset, ld. Counsel for the assessee submitted that the reason for selecting the case of the assessee for scrutiny is on the ground that inspite of non-grant/withdrawal exemption u/s.10(23C) of the Act, the assessee has been claiming exemption in the income-tax return for A.Y. 2020-21. He submitted that during the course of assessment proceedings, ld. Assessing Officer was satisfied that for claiming the exemption u/s.10(23C)(iii)ae) of the Act the assessee is not required to get any registration under the Income-tax Act and that ld. Assessing Officer was satisfied with his submissions as well as the charitable objects carried out by the assessee. However, ld. Assessing Officer has denied the exemption of



Rs.16,05,432/- claimed by the assessee u/s.10(23C)(iii) of the Act solely on the ground that assessee failed to prove the genuineness of the accounts with specific, cogent and reliable evidences and after allowing the benefit of deficit of Rs.2,12,615/- has made the addition at Rs.13,92,820/-. Aggrieved assessee preferred appeal before Id.CIT(A) but failed to succeed. Now the assessee is in appeal before this Tribunal.

5. Ld. Counsel for the assessee submitted that assessee falls under the provisions of section 10(23)(iii) of the Act and is engaged in providing palliative care to patients who are suffering from any disease or who requires palliative care due to old age. He submitted that the assessee is not required to make any application for registration u/s.10(23C) of the Act as actual receipts are below the prescribed limits provided u/s.10(23C) of the Act. He further submitted that books of accounts are regularly audited and Tax Audit Report along with Audited balance sheet have been furnished. He also referred to the bank statement through which all the expenses have been incurred. He also submitted that all these details were filed before the Id. Assessing Officer and he mainly selected the case for scrutiny on the issue of non grant/ withdrawal of exemption u/s.10(23C) of the Act and has never issued any show cause notice disputing the genuineness of the accounts and nature of activities carried out by the assessee. He further submitted that the assessee is doing charitable activities for past many years and Revenue has never disputed the claim made by the assessee u/s.10(23C) in the past.



6. On the other hand, ld. DR supported the order of ld.CIT(A).

7. I have heard the rival contentions and perused the record placed before me. I observe that the assessee carries out the charitable activity in the medical field by providing palliative care and is specialized in medical care for people living with serious illness and is mainly focussed on providing relief from the systems and stress of illness. Such palliative care is provided by specially trained team of Doctors, Nurses and other Specialists and it is mainly provided for the patients who are of any age and any stage in serious illness. The assessee has been claiming the benefit of exemption u/s.10(23C)(iii)ae of the Act which is applicable for any hospital or other institution for the reception and treatment of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for the purpose of profits, if the aggregate annual receipts of such hospital or institution do not exceed the amount of annual receipts as may be prescribed (limit for the same is Rs.1.00 crore ) for the year under consideration.

8. On going through the above provision and also considering the objects and the charitable activities carried out by the assessee, I find that the assessee falls under the provisions of section u/s.10(23C)(iii)ae of the Act and there is no specific requirement for applying for registration of such institution as per the first proviso to section 10(23C) of the Act. So far as the genuineness of the accounts are concerned, I find that the assessee has maintained regular books of accounts and the financial statements have been duly audited



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by the Auditor. During the year, the excess expenditure over the income is Rs.3,14,392.91. Major amount of expenditure is towards the salary paid to the Doctors, Nurses through banking channel which are verifiable from the bank statement placed at pages 11 to 15 of the paper book.

9. Under these given facts and circumstances, I fail to find any merit in the observation of the Id.CIT(A) as well as the Id. Assessing Officer and of the considered view that assessee's claim of making application of the fund received during the year for the charitable purposes deserves to be allowed. Addition of Rs.13,92,820/- is hereby deleted. Grounds of appeal raised by the assessee are allowed.

10. Since I have allowed the legal issues raised in Grounds of appeal No.1 and 2, dealing with the other grounds would be merely academic in nature and are therefore dismissed as Infructuous.

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

Order pronounced on this 13<sup>th</sup> day of March, 2026.

Sd/-  
**(MANISH BORAD)**  
**ACCOUNTANT MEMBER**

पुणे / Pune; दिनांक / Dated : 13<sup>th</sup> March, 2026.

Satish



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**आदेश की प्रतिलिपि अग्रहित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,  
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar,  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.