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% 07.07.2011

Present: Mr. Sanjeev Rajpal, Advocates for the appellant.
Mr. Prakash Kumar, Advocate for the respondent.

+ ITA No.827/2011

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In the assessment year (AY) in question i.e. 2003-2004, while commuting the assessment, the Assessing Officer (AO) found that the two donors namely Gordon Herbert (India) Limited and Ram Krishan & Sons gave certain donations to the respondent, the Assessee in question. The Assessing Officer took the view that the amount received by the Assessee was in the nature of Corpus Donation but was a part of modus operandi of the group in order to avoid tax and in order to siphon off the money, the aforesaid donations have been allowed and they brought the same to tax.

The Assessee preferred an appeal thereagainst raising the contention that the amount received by it was exempted under Section 11(1)(a) of the Income Tax Act, paying a donation in the nature of corpus donation. This contention was accepted by CIT (A). After going into the nature of the said amount received by the Assessee, he held that it was a donation in the nature of corpus funds. He also took the view that even if this amount is included in the income of the Assessee still there would be no addition in the current year as Assesses derived whole of this income towards the objects of the trust. This finding of



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CIT(A) has been confirmed by the Tribunal resulting into dismissal of the appeal of the Revenue preferred against the order of the CIT(A). The ITAT has given the findings that even if this assessment that the amount received from the aforesaid two donors is to be the income of the trust, still the same would not be included in the taxable income of the trust inasmuch as whole of this income had been utilized by the Assessee towards object of the Trust as discussed in paragraph 11 of the impugned order.

In view of aforesaid backdrop, we are of the opinion that no question of law arises in this appeal. The appeal is dismissed.


A.K. SIKRI, J.


M.L. MEHTA, J.

JULY 07, 2011
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