



**IN THE INCOME TAX APPELLATE TRIBUNAL,  
CUTTACK BENCH, CUTTACK**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER  
AND  
MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.231/CTK/2024**  
Assessment Year : 2018-19

Sai Vidya Mandir, Ward No.19, Darogadahi Golei, Baripada, Mayurbhanj	Vs.	ITO, Ward -1, Baripada
PAN/GIR No.AARTS 1868 B		
<b>(Appellant)</b>	..	<b>( Respondent)</b>

Assessee by : Shri Chittaranjan Sahoo, Adv  
Revenue by : Shri S.C.Mohanty, Sr DR

**Date of Hearing : 22/07/2024**  
**Date of Pronouncement : 22/07/2024**

**ORDER**

**Per Bench**

This is an appeal filed by the assessee against the order of the Id Addl/JCIT(A)-1, Gurugram dated 30.3.2024 in Appeal No.NFAC/2017-18/10162461 for the assessment year 2018-19.

2. Shri Chittaranjan Sahoo, Id AR appeared for the assessee and Shri S.C.Mohanty, Sr. DR appeared for the revenue.

3. It was submitted by Id AR that the assessee has filed its return of income on 31.3.2019. The return filed by the assessee came to be processed u/s.143(1) of the Act and intimation came to be issued u/s.143(1) of the Act on 26.9.2019, wherein, entire expenditure as claimed by the assessee came to be disallowed on the ground that the assessee did not have registration u/s.12A of the Act. It was the submission that the adjustments that have been made in the intimation u/s.143(1) were not falling in the parameters of provisions of section 143(1) of the Act and the adjustment as made is liable to be deleted.

4. In reply, Id Sr DR vehemently supported the orders of the AO and Id CIT(A). It was the submission that the assessee did not have registration u/s.12A and consequently, the adjustment being the denial of application of the income of the assessee had been rightly made in the intimation u/s.143(1) of the Act. It was the submission that the order of the AO and that of the Id CIT(A) is liable to be upheld.

5. We have considered the rival submissions. At the outset, a perusal of the return of income filed by the assessee shows that the assessee has filed the return for the assessment year 2018-19 in ITR-7. The assessee has thus claimed its return of income as business income in the status of AOP/BOI. A perusal of the receipts and payments account also clearly shows that the assessee is running an educational institution. The expenditure details also shows that the expenses are in relation to running

of educational institution. A perusal of the provisions of section 143(1) shows that what is *prima facie* adjustment that can be made u/s.143(1) has been categorically mentioned in the said section. The said section is not open-ended. The adjustments permissible are more specific as mentioned in the said section. The disallowance of the expenses is not one of the *prima facie* adjustments mentioned in the said section. The claim of Id Sr DR that there is incorrect claim, which is apparent from the information in the return would not support the department insofar as if at all any amount is disallowable, the same would have to be surplus of the income over the expenditure not the entire expenditure to bring to tax the entire receipts. This being so, as the adjustments made in the intimation u/s.143(1) is not as per the provisions of section 143(1) of the Act, the disallowance as made u/s.143(1) stands deleted.

6. In the result, appeal of the assessee stands allowed.

Order dictated and pronounced in the open court on 22/07/2024.

Sd/-

**(Manish Agarwal)**  
ACCOUNTANT MEMBER

sd/-

**(George Mathan)**  
JUDICIAL MEMBER

Cuttack; Dated 22/07/2024  
B.K.Parida, SPS (OS)

**Copy of the Order forwarded to :**

1. The appellant: Sai Vidya Mandir, Ward No.19, Darogadahi Golei, Baripada, Mayurbhanj
2. The respondent: ITO, Ward -1, Baripada
3. The Addl/JCIT(A)-1, Gurugram.
4. Pr.CIT, Cuttack
5. DR, ITAT,
6. Guard file.  
//True Copy//

**By order**

Sr.Pvt.secretary  
**ITAT, Cuttack**

