

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM**

**ITA No. 255/Coch/2025  
Assessment Year: 2015-16**

Sanathana Dharma Vidyasala ..... Appellant  
1045/W24, SDV Road, Alappuzha 688001  
[PAN: AAJCS5299M]

vs.

ACIT, Exemption Circle, Trivandrum ..... Respondent

Appellant by: Shri R. Krishnan. CA  
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 28.04.2025  
Date of Pronouncement: 30.04.2025

**ORDER**

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 24.02.2025 for Assessment Year (AY) 2015-16.

2. Brief facts of the case are that the appellant is a society registered under 12A of the Income Tax Act, 1961 (the Act). The return of income for AY 2015-16 was filed on 29.09.2015 declaring Nil income after claiming deduction us 11 of the Act. Against the said return of income, the assessment was completed by the ACIT (Exemption), Thiruvananthapuram (hereinafter called "the AO") vide order dated 20.11.2017 accepting the returned income. Subsequently, the AO issued

a notice u/s. 154 of the Act, proposing to rectify the assessment order on the ground that as per the audit report submitted in Form 10B, income applied to charitable purposes is only Rs.5,04,16,939/- as against Rs. 5,54,07,660/- allowed as application of income in the original assessment. Therefore, a notice u/s. 154 was issued to the appellant on 21.02.2019. In response to the show cause notice the appellant filed petition stating that the information contained in the audit report is wrong and the claim made by the appellant based on the financial statements is correct. However, the AO rejected the above contentions and passed the order u/s. 154 of the Act.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the appellant is in appeal before us in the present appeal.

5. I have carefully perused the material on record. The information contained in the audit report in Form 10B, undoubtedly gives rise to a mistake apparent from record. Therefore, the AO was justified in exercising jurisdiction u/s. 154 of the Act. However, I remand the matter back to the file of AO with a direction to determine the correct amount of income applied for charitable purposes having regard to the evidence led before him, not solely based on the information contained in the audit report.

6. In the result, the appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 30<sup>th</sup> April, 2025.

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 30<sup>th</sup> April, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar  
ITAT, Cochin