

**IN THE INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH: AGRA**

**BEFORE
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.198/AGR/2022
(ASSESSMENT YEAR: 2018-19)

ST Marks School Society 71, Carriappa Marg Cantt, Uttar Pradesh-284001. PAN-AAJAS7100B	Vs.	DCIT (CPC), Benguluru.
(Appellant)		(Respondent)

Assessee by	None
Department by	Shri Shailendra Srivastava, Sr. DR
Date of Hearing	21/05/2025
Date of Pronouncement	24/06/2025

ORDER

PER MANISH AGARWAL, AM:

This appeal is filed by the assessee against the order of the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Agra [Ld. CIT(A) in short] in Appeal No. CIT(Appeals)-2, Agra/10631/2019-20 dated 25.11.2022 passed u/s 250 of the Income Tax Act, 1961 ('the Act' for short) arising out of the intimation order of CPC passed u/s 143(1) dated 16.12.2019 for Assessment Year 2018-19.

2. At the outset, it is seen that assessee is a society and running educational institutions. The return was filed in ITR-7 electronically, wherein the assessee has claimed exemption u/s 12A and 10(23C)(vi) of the Act. However, no registration was granted to the assessee u/s 12A or 10(23C)(vi) of the Act, and, therefore, the CPC has computed the income of the assessee wherein gross receipts was considered as income and no deduction towards the expenditure claimed as application out of the gross receipt were allowed. Against such order an appeal was filed before the Ld. CIT(A), who though has confirmed the action of CPC in taxing the income of the assessee in absence of registration u/s 12A or 10(23C)(vi) under normal provisions of the Act however, direct the AO to allow the expenditures incurred for earning the gross receipts. The relevant directions given by the Ld. CIT(A) as contained in para 6.25 are as under:

“6.25 However, in the instant case, the AO has failed to follow the provisions of the statute and considered the total receipts as income of the assessee, which is not acceptable as per the provisions of the statute. In view of this, while giving effect to this order, the AO is directed to re-compute the taxable income of the assessee after allowing deduction towards expenditure incurred for earning the income i.e. gross receipts of all the educational institutions run by the society put together, which worked out to Rs. 3,21,86,665/-, if any, under respective heads of the income. Also, the AO is directed to deny the assessee's claim of exemption claimed u/s. 10(23C)(iiiad) of the Act since the aggregate annual receipts of the assessee society derived from various educational institutions run by the assessee society has exceeded the threshold limit of Rs. 1,00,00,000/- as prescribed in Rule 2BC of the Income Tax Rules, 1962.”

3. It is admitted position that till the date when no registration is granted to the assessee u/s 10(23C)(vi) or 12A of the Act, the claim of the assessee of exemption u/s 12A or 10(23C)(vi) cannot be

allowed. However, it is seen that Ld. CIT(A) has already directed the AO to re-compute the taxable income of the assessee after allowing expenditure incurred for earning such income out of the gross receipt from all the educational institutions run by the appellant society, therefore, we find no infirmity in the order of the Ld. CIT(A) who has already granted relief to the assessee by allowing the expenses against the action of CPC in taxing the entire gross receipts. In view of this, all the grounds of appeal taken by the assessee are dismissed.

4. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 24.06.2025.

Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Dated: 24.06.2025

PK/Sr. Ps

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR