

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

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

ITA No.559/AGR/2024
(ASSESSMENT YEAR: 2019-20)

Maya Sikshan Prashikshan Sansthan, Ravinder Singh Prakash Textile Compound, Mendu Road, Hathras-204101 PAN-AAABM5383N	Vs.	Income Tax Officer, Ward-(3)(4), Hathras.
(Appellant)		(Respondent)

Assessee by	Shri Deepak Singh, Adv.
Department by	Shri Sailendera 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 Addl./ Joint Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Patna [Ld. CIT(A) in short] passed u/s 250 of the Income Tax Act, 1961 ('the Act' for short) in Appeal No. NFAC/2018-19/10277775 dated 05.12.2024 for Assessment Year 2019-20.

2. Brief facts of the case are that the appellant is an Educational Society and filed its return of income u/s 139(4) of the Act on 30.01.2020 wherein inadvertently exemption u/s 10(23C)(vi) of the Act was claimed. Since, assessee was not registered u/s 10(23C)(vi) of the Act, the CPC while processing the return has denied the exemption and taxed the gross receipt of the assessee society without allowing any deduction towards the application of income as claimed.

3. Against such order, the application for rectification u/s 154 of the Act was filed by the assessee before the CPC wherein it was claimed that inadvertently the claim was made u/s 10(23C)(vi) of the Act whereas the assessee is entitled for exemption u/s 10(23C)(iiiad) as the gross receipt of the assessee was below Rs.1 Cr. and it is engaged in the activity of imparting education. The CPC has rejected the rectification application, against which an appeal was filed before the Ld. CIT(A). The Ld. Addl./Jt. CIT, Patna vide impugned order has dismissed the appeal by holding that there is no mistake apparent on record in the order passed by the CPC and, therefore, the rectification application filed u/s 154 has rightly been dismissed by CPC and, accordingly, the appeal of the assessee was dismissed. Against such order, the assessee society preferred the present appeal before the Tribunal.

4. Before us, the Ld. AR of the assessee reiterated the same arguments which were placed before the Ld. CIT(A) and it is further submitted that claiming exemption u/s 10(23C)(vi) as against

10(23C)(iiiad) is a mistake apparent from the record as the gross receipts were below the maximum ceiling provided in section 10(23C)(iiiad) and inadvertently in the return of income filed, the exemption was claimed in wrong section which is a rectifiable mistake u/s 154 of the Act. For this proposition, he placed reliance on the judgment of Co-ordinate Bench of ITAT, Kolkata in the case of University of Burdwan C/o S.H. Ghosh & Associates vs. ACIT (ITAT Kolkata). Further reliance is placed on the judgment of Co-ordinate Bench of ITAT, Lucknow in the case of Desh Bharti Public School Samity vs. DCIT (2022) 195 ITD 600 (Lucknow Trib.) It is further submitted by the Ld. AR that the assessee is having gross receipts of Rs.95,55,914/- which are below the maximum ceiling provided u/s 10(23C)(iiad) and further it is a charitable institution engaged in the activity of imparting education. The Ld. AR thus submitted that merely by stating wrong section in return of income, genuine claim of the assessee should not be denied and, therefore, he prayed for cancellation of the order of Ld. Addl./Jt. CIT(A) and requested for necessary relief.

5. On the other hand, Ld. CIT-DR supported the orders of the lower authorities and requested for the confirmation of the same.

6. Heard both the parties. From the perusal of the order, it is seen that CPC in the intimation order u/s 143(1), it is seen that the CPC has taxed gross receipt declared by the assessee at Rs.95,55,914/-. Further while rejecting rectification application filed by the assessee u/s 154, the CPC has not given any reasons. The Ld. Addl./ Joint

CIT(A) dismissed the appeal by observing that claiming deduction exemption under wrong section in the return of income is not a mistake apparent from the record and there was no mistake on the part of the CPC. It is undisputed fact that assessee is a charitable institutions and engaged in the charitable activity of imparting education. The gross receipt of the assessee was below Rs.1 Cr. and, therefore, is eligible for exemption u/s 10(23C)(iiad) of the Act. Merely by inadvertent mistake the exemption was claimed in wrong section by which assessee should not be deprived from the legal claim available to it. Under these circumstances and by respectfully following the decisions of the coordinate benches of Tribunal as stated above, we set aside the order of lower authorities and direct the AO to allow the assessee exemption u/s 10(23C)(iiiad) of the Act. We order accordingly.

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

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