

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

**BEFORE SHRI INTURI RAMA RAO, AM
AND SHRI PRAKASH CHAND YADAV, JM**

**ITA No. 72/Coch/2025
Assessment Year: 2017-18**

Mount Carmel Educational Society Appellant
Kanjiramkulam P.O., Thiruvananthapuram 695524
[PAN: AABAM3865A]

vs.

ITO, Ward-1(1), Thiruvananthapuram Respondent

Appellant by: Ms. Binisha Baby, Advocate
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 28.05.2025
Date of Pronouncement: 26.06.2025

ORDER

Per: Inturi Rama Rao, AM

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-2, Ludhiana [CIT(A)] dated 30.12.2024 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is a charitable trust duly registered u/s. 12A of the Income Tax Act, 1961 (the Act). The return of income for AY 2017-18 was filed on 01.08.2017 declaring Nil income after claiming exemption u/s. 11 of the Act. The said return of income was processed by the CPC u/s. 143(1) of

the Act vide intimation dated 25.03.2019 denying exemption u/s. 11 and assessed the total income at Rs. 2,03,20,447/- on the ground that audit report in the prescribed Form 10B was not filed along with the return of income.

3. Being aggrieved, an appeal was filed before the CIT(A), contending that the adjustment made by the CPC is beyond the scope of section 143(1) of the Act and filing of audit report within the prescribed time is only directory and not mandatory. However, the CIT(A), placing reliance on several judicial precedents, without addressing this issue dismissed the appeal by holding that the power to condone the delay in filing the prescribed audit report vests with the Chief Commissioner of Income Tax, not with the appellate authority. Accordingly, he dismissed the appeal.

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

5. The learned CIT(A) contended that the CIT(A), without addressing all the contentions raised by the appellant, has merely dismissed the appeal placing reliance on the CBDT Circular No. 6/2020 dated 19.02.2020. Thus, she submits that the order passed by the CIT(A) is cryptic and the matter may be remanded back to the of the CIT(A) for de novo consideration.

6. On the other hand, the learned Sr. DR has no serious objection to remand the matter back to the file of the CIT(A) for de novo consideration.

7. We ordered accordingly with direction to the CIT(A) to pass a reasoned order by meeting all the contentions raised by the appellant trust after affording reasonable opportunity of hearing to the appellant.

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

Order pronounced in the open court on 26th June, 2025.

Sd/-
(PRAKASH CHAND YADAV)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 26th June, 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

By Order

Assistant Registrar
ITAT, Cochin