



139(4A) of the Act on 12.11.2015 declaring Nil income stating that it was registered u/s. 12A of the Act and claimed exemption from tax. The said return of income was processed by CPC u/s. 143(1) of the Act vide intimation dated 24.12.2016 by denying exemption and assessing total income at Rs. 2,91,33,019/-. On receipt of the said intimation, an application u/s. 154 of the Act was filed on 10.07.2017 seeking rectification by stating that the appellant was duly registered under clauses 2 & 3 of Part B of Schedule IV of the Act, therefore, income is exempt from tax. The ITO (Exemption), Kochi (hereinafter called "the AO"), without taking into consideration the submission of the assessee rejected the application for rectification.

3. Being aggrieved, an appeal was filed against the rectification order before the CIT(A), who vide the impugned order confirmed the action of the AO by recording a finding that the adjustments made by CPC while processing the return u/s. 143(1) cannot be agitated u/s. 154 of the Act. Therefore, there is no mistake in the order of the CPC.

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

5. The learned counsel for the assessee submitted that the order passed u/s. 154 is erroneous, inasmuch as, income of the appellant trust was exempt u/s. 11 of the Act. The lower authorities without

taking cognizance of this fact merely dismissed the appeal ignoring the fact that income of the trust was exempted u/s. 10(25)(iii) of the Act. It is further submitted that in the assessment order passed u/s. 143(3) for AY 2017-18 the claim of the assessee was allowed by the AO.

6. On the other hand, the learned Sr. DR, placing reliance on the orders of the learned lower authorities, submitted that no interference is called for.

7. We have heard the rival contentions and perused the material available on record.

8. The short issue for our consideration is whether the AO was justified in rejecting the application filed by the appellant trust u/s. 154 of the Act. Admittedly, the appellant trust was registered under clauses 2 & 3 of Part B of Schedule IV of the Act. Therefore, its income is exempt u/s. 10(25)(iii) of the Act. However, undoubtedly the appellant trust had committed a mistake by claiming exemption u/s. 11 of the Act. However, the mistake was sought to be rectified by filing a petition u/s. 154 of the Act. The fact that the registration under clauses 2 & 3 of Part B of Schedule IV of the Act was a matter on record and, therefore, this does not constitute fresh information, which has to be taken into consideration while disposing the application u/s. 154 of the Act. In our considered opinion the AO ought to have taken into consideration the fact of

registration under the clauses 2 & 3 of Part B of Schedule IV and made the assessment accordingly. Therefore, we set aside the issue to the file of AO to allow the claim of exemption after examination of relevant facts and evidences.

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

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

Sd/-  
**(SONJOY SARMA)**  
**JUDICIAL MEMBER**

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

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