

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH: BANGALORE**

BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT  
AND  
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER

ITA No.1102/Bang/2025
Assessment year: 2023-24

Public Education Society, No.45/37, Gubbanna Layout, 6 <sup>th</sup> Block, Rajajinagar H.O., Bangalore – 560 010. <b>PAN: AABTP 1270A</b>	Vs.	The Income Tax Officer, Exemptions Ward-2, Bangalore.
APPELLANT		RESPONDENT

Appellant by	:	Shri Prathik, CA
Respondent by	:	Shri Thamba Mahendra, Jt.CIT (DR)(ITAT), Bengaluru.

Date of hearing	:	24.07.2025
Date of Pronouncement	:	26.08.2025

**ORDER**

*Per Prashant Maharishi, Vice President*

1. This appeal is filed by Public Education Society (the assessee/appellant) for the assessment year 2023-24 against the appellate order passed by the CIT(Appeals)-12, Mumbai [ld. CIT(A)] dated 28.3.2025 wherein the appeal filed by the assessee against the

intimation passed by the CPC on 18.11.2024 u/s. 143(1) of the Income-tax Act, 1961 [the Act] was dismissed. Therefore assessee is aggrieved and in appeal before us.

2. The brief facts of the case show that assessee is a charitable trust, filed its return of income on 29.11.2023 whereas the due date for filing return of income was 30.11.2023 declaring total income of Rs.5,43,772. This return of income was processed on 18.11.2024 wherein total income of assessee was determined at Rs.1,33,36,070. The only difference is that assessee has claimed the accumulation of 15 % of gross receipt as application of income amounting to Rs.1,25,22,886. This amount of accumulation was disallowed. Against this intimation, assessee preferred appeal before the Id. CIT(A).
  
3. The assessee reiterated the same facts before the Id. CIT(A) that accumulation of 15% of the income of the society was not allowed by the CPC. The Id. CIT(A) in para 2 has noted that assessee was given 4 opportunities of hearing, but did not respond to any of these and therefore the appeal was decided on the material available on record.

4. The Id. CIT(A) observed that on perusal of Form 10B filed by the assessee, assessee itself has computed taxable income in Form 10B at Rs.133,36,066. Since the CPC has processed the information provided by the assessee, there is no reason why the intimation so made is not proper. He further stated that as the assessee has not come forward, the appeal of the assessee stands dismissed.
5. Aggrieved with the same, assessee is in appeal before us wherein it was submitted that assessee claim of entitlement to the benefit of accumulation of 15% of its income u/s.11 of the Act should have been granted to the assessee.
6. The assessee further submitted a paperbook containing 38 pages wherein the computation of total income as well as application in Form 10A, 10AC & 10B are filed. The assessee also submitted Form ITR-7. According to the assessee, accumulation of income to the extent of 15% should have been granted to the assessee by the CPC. It was also stated that for AY 2023-24 the earlier audit report to be furnished u/s. 12A(1)(b) in Form 10B pursuant to Rule 16CC and Rule 17B was withdrawn and a new detailed and comprehensive report in Form 10B was notified. Therefore there is some error in filing of the Form. The error in the audit report was wholly inadvertent and should have been rectified. The assessee is lawfully entitled to claim deduction to the extent of 15% of the income for accumulation. The assessee further relied on different judicial precedent to say that the error inadvertently

committed by the assessee should not result into disentitlement of eligible benefit.

7. The Id. DR stated that the CPC has processed the information that has been provided by the assessee and therefore there is no infirmity. The Id. CIT(A) is also correct in observing that on uploading the information provided by the assessee in Form 10AB on that basis intimation is passed. Therefore there is no infirmity in the order of the Id. lower authorities.
8. We have heard the rival contentions and perused the orders of the Id. - Lower Authorities. We find that assessee has claimed that there is change in law for the impugned assessment year and due to this there is an inadvertent error in Form 10B wherein assessee has shown incorrect amount of the total income. In fact assessee has claimed that 15% of the income of the assessee should be allowed to be accumulated. It is agreed by both the parties that this error committed in Form 10B by the assessee and therefore resultant addition has been made by the CPC. Howsoever that may be, but the assessee must be assessed at real and correct income and merely because there is an error in filing of Form which is subsequently changed, assessee should not have been denied the benefit of accumulation. However, as the verification of the above sum has not been made by the Id. AO, we restore the whole matter back to the file of Id. AO with a direction to the assessee to submit the correct details along with the correct Form and the Id. AO may verify

the same and after examination grant the benefit to the assessee in accordance with law of accumulation of 15% of the income.

9. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Pronounced in the open court on this 26<sup>th</sup> day of August, 2025.

Sd/-

Sd/-

(SOUNDARARAJAN K.)  
JUDICIAL MEMBER

(PRASHANT MAHARISHI)  
VICE PRESIDENT

Bangalore,

Dated, the 26<sup>th</sup> August 2025.

*/Desai S Murthy /*

Copy to:

1. Appellant 2. Respondent 3. Pr. CIT 4. CIT(A)  
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.