

IN THE INCOME TAX APPELLATE TRIBUNAL
JODHPUR BENCH, JODHPUR

**BEFORE DR. MITHA LAL MEENA, ACCOUNTANT MEMBER AND
SHRI ANIKESH BANERJEE, JUDICIAL MEMBER**

**I.T.A.No. 517/Jodh/2023
(Assessment Year : 2017-18)**

Shree Hari Ram Shikshan Sansathan, Jodhpur C/o CA R.S.Poonia, d-82-b, Siwad Area, Krishna Marg, Bapu Nagar, Rajasthan-302 015 PAN : AAITS0364F	vs	ITO WARD EXEMPTION, JODHPUR
APPELLANT		RESPONDENT

Assessee by : Shri Tej Prakash Agarwal, CA
Respondent by : Shri Brij Lal Meena, Addl.CIT-DR (adj.
Application)
Date of hearing : 20/08/2025
Date of pronouncement : 29/09/2025

ORDER

Per Anikesh Banerjee) JM):

The instant appeal of the assessee filed against the order of the National Faceless Appeal Centre (NFAC), Delhi [for brevity, 'Ld.CIT(A)'] passed under section 250 for A.Y. 2017-18, date of order 17/10/2023. The impugned order emanated

from the order of the Ld.Income-tax Officer, Exemption, Jodhpur, passed u/s 143(3), date of order 20/12/2019.

2. The brief facts of the case are that the assessee is a trust running an educational institution school by name 'Diamond Academic'. The assessee is a registered society under Societies Registration Act with Registrar, Jodhpur. The assessee e-filed the return during the impugned assessment year and declaring total income at Nil by claiming exemption u/s 10(23C)(iiiad). The case was selected for scrutiny under CASS and the Ld.AO had made 2 additions related to discrepancy in fees amount of Rs.40,86,800/- and unexplained cash deposit in the bank amount to Rs.8,32,800/- u/s 69A of the Act. The assessee declared the gross turnover amount to Rs.91,49,222/- in the return of income claiming exemption u/s 10(23C)(iiiad). The Ld.AO found that the assessee has agreed receipt of Rs.40,86,800/- which was not taken in the total receipt during the year. Accordingly, the Ld.AO enhanced the total receipt amount to Rs.1,32,36,000/- (91,49,200/- + Rs.40,86,800/-) which exceeds the prescribed limit of Rs.1 crore as mentioned in section 10(23C)(iiiad) of the Act. The assessee is not registered u/s 12AA of the Act during this impugned assessment year. Accordingly, the assessee was treated as AOP and addition amount to Rs.40,86,800/- and Rs.8,32,800/- with the total income of the assessee was made. Aggrieved assessee filed an appeal before the Ld.CIT(A). The Ld.CIT(A) upheld the impugned assessment order. Being aggrieved, the assessee filed an appeal before us.

3. The Ld.AR argued and filed a paper book which is containing pages 1 to 140 which is kept on record. The Ld.AR argued that the receipt which was added back with the total income amount to Rs.40,86,800/- is taken as on accrued basis whereas, on the other hand, the assessee is maintaining total receipts on the basis

of cash basis of accounting. So, the other receipts are duly not taken in the income and expenditure account and also not included in the total rec during the year. The Ld.AR stated that the assessee is maintaining the accounts in year after year, the doctrine of consistency should be applied in assessee's case. Related to addition of Rs.8,32,800/-, the Ld.AR stated that the assessee is already availing the benefit u/s 10(23C)(iiiad) as educational institution, so the said addition is not part of the total income. The issue was already agitated before the Ld.CIT(A), but the exact accounting system was not duly demonstrated before any of the authorities. The doctrine of consistency is duly accepted if the accounting entries are correct and proper. The assessee is well awarded for the exemption u/s 10(23C)(iiiad) if the turnover is below Rs. 1 crore.

4. The Ld.DR argued and fully relied on the orders of revenue authorities.

5. We heard the rival submissions and considered the documents available on the record. The Ld.AR before the bench stated that the assessee is maintaining the accrued receipt of Rs.40,86,800/- in the balance-sheet and related to total receipt, the assessee is maintaining the cash basis of accounting. The Ld.AO added back the entire addition without considering the books of the assessee and further, the assessee claimed that the said method of accounting is continuously maintained year after year. So in case of said receipt, if the assessee declared in preceding years, the assessee's claim can be accepted. We find that the verification was improper and incomplete from the end of the Ld.AO and accordingly, we restore the matter to the file of Ld.AO for verification de novo related to addition of Rs.40,86,800/- and Rs.8,32,800/-. Needless to say, the assessee should get a reasonable opportunity of hearing in set aside proceedings. On the other hand, the assessee should be diligent and co-operative for quick disposal of the assessment.

6. In the result, the appeal of the assessee bearing **ITA No.517Jodh/2023** is allowed for statistical purpose.

Order pronounced in the open court on 29th day of May, 2025.

Sd/-

(DR. MITHA LAL MEENA)
ACCOUNTANT MEMBER

Jodhpur, दिनांक/Dated: 29/09/2025
Pavanan

sd/-

(ANIKESH BANERJEE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त CIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., जोधपुर /DR, ITAT,
JODHPUR
5. गार्ड फाइल/Guard file.

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BY ORDER,

(Asstt. Registrar), ITAT, JODHPUR