

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, BANGALORE**

**BEFORE SHRI NARENDER KUMAR CHODHRY, JUDICIAL MEMBER AND
SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.879/Bang/2025
Assessment Year: 2010-11

Karnataka Water and Sanitation Pooled Fund Trust, Nagarbhivruddi Bhavana, KUIDFC, No.22, 5 th Floor, 17 th F Cross, Old Madras Road, Indiranagar 2 nd Stage, Bangalore – 560 038. PAN – AAATK 7227 P	Vs.	The Dy. Director of Income Tax (Exemptions), Circle – 17(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri Ravikiran, Advocate
Revenue by	:	Shri Shivanand H Kalakeri, CIT (DR)

Date of hearing	:	14.08.2025
Date of Pronouncement	:	09.10.2025

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

This is an appeal filed by the assessee against the order passed by the Addl/JCIT(A), Kochi vide order dated 27/12/2024 in DIN No.ITBA/APL/S/250/2024-25/1071626129(1) for the assessment year 2010-11.

2. In this case, the assessee during assessment proceedings filed a revised statement of income dated 31 January 2013. However, the AO while passing order under section 143(3) of the Act on 15 March 2013

did not consider the revised claim. The learned CIT(A) also denied the claim. His view was that such a claim could have been made only by filing a revised return of income. Accordingly, he rejected the claim made before him.

3. Aggrieved, the assessee is in appeal before us.

4. The learned AR submitted that the AO and the CIT(A) were not correct in law. The assessee was entitled to make a fresh or revised claim during assessment or appellate proceedings. The AO and the CIT(A) had the jurisdiction to entertain such claim. The Id. AR relied upon the judgment of the Hon'ble Supreme Court in *Goetze (India) Ltd. v. CIT* 284 ITR 323, wherein it was clarified that appellate authorities have wide powers to admit such claims even if they were not made in the revised return. Therefore, the Id. CIT(A) was not justified in rejecting the revised claim on a technical ground.

5. The learned DR, on the other hand, supported the orders of the lower authorities. He submitted that the assessee had the option to file a revised return as per section 139(5) of the Act. Since the assessee failed to do so, the AO was right in ignoring the revised statement. He further submitted that the Id. CIT(A) also rightly declined to accept the claim because the assessee should have taken recourse to the statutory procedure.

6. We have heard both the parties and perused the record. It is an admitted fact that the assessee had filed a revised statement of income

during assessment proceedings. However, the AO ignored it and the Id. CIT(A) also refused to admit the claim.

6.1 The law is well settled that the appellate authority has plenary powers to do what the AO ought to have done. The Hon'ble Supreme Court in *Goetze (India) Ltd.* restricted only the power of the AO, but not the appellate authorities. Thus, the reasoning of the Id. CIT(A) is not sustainable.

6.2 Considering these legal principles, we are of the view that the claim of the assessee should have been admitted and considered on merits. Non-consideration of the revised claim has resulted in denial of justice. Therefore, we set aside the impugned order of the Id. CIT(A) and restore the matter to the file of the AO for fresh adjudication. The AO shall consider the revised claim of the assessee in accordance with law after giving due opportunity of hearing. Accordingly, the appeal of the assessee is allowed for statistical purposes.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in court on 9th day of October, 2025

Sd/-

(NARENDER KUMAR CHODHRY)

Judicial Member

Bangalore

Dated, 9th October, 2025

/ vms /

Sd/-

(WASEEM AHMED)

Accountant Member

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore