

INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH "SMC": AGRA
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
(Through virtual hearing)

ITA No. 399/AGR/2025
(Assessment Year: 2023-24)

Saint Marks School Siksha Samiti, 41, Saint Peters Colony, Ghatia, Hariparvat, Agra	Vs.	Jurisdictional Assessing Officer-Exemption Ward, Agra
(Appellant)		(Respondent)
PAN: AAEAS7764A		

Assessee by :	Shri Mahesh Agarwal, CA
Revenue by:	Shri Anil Kumar, Sr. DR
Date of Hearing	17/11/2025
Date of pronouncement	26/11/2025

ORDER

1. The appeal in ITA No. 399/AGR/2025 for AY 2023-24, arises out of the order of the Jt. Commissioner of Income Tax (Appeals)-1, Guwahati [hereinafter referred to as 'ld. JCIT(A)', in short] dated 11.06.2025 against the order of assessment passed u/s 154 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 05.02.2025 by the Assessing Officer, CPC, Bangalore (hereinafter referred to as 'ld. AO').

2. The assessee has raised the following grounds of appeal :-

"1. That under the facts and circumstances of the case and in law Ld Appellate Authority was wrong to confirm the addition of Rs. 19,03,032.00 made by CPC. solely on the basis of figures reported in Form 1088 ignoring the audited accounts uploaded with the said form and claim of

the appellant that it was the surplus of the year within permissible limit of 15%

2. That the impugned addition of Rs. 19,03,032,00 by the Ld CPC, solely on the basis of Form 108B, was incorrect and illegal as the same was made without appreciating that there was no any accumulation of income U/s 11(2) in the earlier years that could have been utilized for the application and reporting of this figure, by the auditors, in point 27(C) of Form 10BB was improper.

3. That otherwise also the impugned addition, was made by CPC under 143(1) processing, was beyond the scope of adjustments permissible and as such was improper, incorrect and illegal.

4. That, in any view of the matter and under the facts and circumstances of the case and in law, action of both the lower authorities in making and confirming the impugned addition is devoid of any merit, is incorrect and is liable to be QUASHED

5. That the appellant craves your honour's permission to amend, alter, delete or raise an additional ground of appeal at the time of hearing."

3. I have heard the rival submissions and perused the materials available on record. It is not in dispute that assessee is a charitable society operating since 1993 and running an educational institution. The assessee is duly registered under section 12A / 12AB of the Act and entitled for benefit of exemption under section 11 of the Act. During the year under consideration, the assessee had gross receipts of Rs 2,46,35,564/- against which the application of income for charitable purposes was Rs. 2,27,32,532 (Rs. 2,08,81,587/- towards running expenses and Rs. 18,50,945/- as addition to fixed assets). Thus, there was a surplus of Rs. 19,03,032/- which was stated to be below the maximum permissible limit of 15 percent for accumulation of income. The return of income for the assessment year 2023-24 was filed by the assessee declaring Nil income after claiming benefit of exemption under section 11 of the Act. It is pertinent to note that the accounts of the assessee society

are duly audited as per requirement of law and the audit report in Form No. 10BB (which is newly introduced for the year) was duly filed in time. Against the point number 27 of Form 10BB for reporting various sources of application, the auditor had inadvertently reported the figure of surplus of Rs. 19,03,032/-. Based on this, the return was duly processed under section 143(1) of the Act by the Learned CPC by disallowing this amount of surplus of Rs. 19,03,032/- and taxing the same with consequential raising of demand thereon. The assessee moved a rectification application under section 154 of the Act before the Learned CPC. The Learned CPC issued rectification order again with the same figures and retained the demand raised originally. The appeal was preferred against this rejection of the rectification application before the Learned NFAC. This appeal was dismissed by the Learned NFAC. The Learned AR before us prayed for restoration of this entire appeal to the file of Learned AO to look into the audited accounts of the assessee and see whether the surplus earned by the assessee during the year under consideration is within the permissible limit of 15 percent or not and accordingly reframe the assessment in accordance with law. This request of the Learned AR, in my considered opinion, is correct and deserves to be accepted. Accordingly, in the interest of justice and fair play, I deem it fit and appropriate, to restore this appeal to the file of Learned AO to adjudicate the issue in dispute before me in accordance with law. Needless to mention that the assessee be given reasonable opportunity of being heard. The assessee is at liberty to furnish fresh evidences, if any, in support of its contentions. With these observations, the grounds raised by the assessee are allowed for statistical purposes by restoring to the file of Learned AO.

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

Order pronounced in the open court on 26/11/2025.

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 26/11/2025
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi