

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 818/Coch/2025
Assessment Year: 2015-16**

Toufeeq Charitable Trust Appellant
C-14,139, Thaqua, Andathode, Malappuram
[PAN: AAATT6160E]

vs.

The Income Tax Officer (Exemption), Thrissur Respondent

Assessee by: ----- None -----
Revenue by: Ms. Neethu S. Sr. DR

Date of Hearing: 27.11.2025
Date of Pronouncement: 28.11.2025

ORDER

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals), Agra [CIT(A)] dated 14.08.2025 for Assessment Year (AY) 2015-16.

2. Brief facts of the case are that the appellant is a trust duly registered u/s. 12A of the Income Tax Act, 1961 (the Act). It is founded with the object of running educational institution for charity. The return of income for AY 2015-16 was filed on 14.06.2016 disclosing Nil income after claiming exemption u/s. 11 of the Act. The Against the said return of income, the assessment was completed by the Income Tax Officer (Exemption), Thrissur

(hereinafter called "the AO") vide order date 15.12.2017 passed u/s. 143(3) of the Act at total income of Rs. 6,42,219/-. While doing so, the AO had not allowed the capital expenditure as application of income on the ground that no claim was made in the return of income. Similarly, the AO had not allowed the following items as application of income: -

i) Revenue expenditure as per return	1,52,99,147
ii) Capital expenditure as claimed	4,55,460
iii) 15% of statutory exemption u/s. 11 of Rs. 1,95,25,678/-	29,28,852

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal by holding that the disallowance of capital expenditure of Rs. 25,40,942/- cannot be allowed as no claim was made for exemption in the return of income placing reliance on the decision of the Hon'ble Apex Court in the case of Goetze (India) Ltd. v. CIT [2006] 284 ITR 323. The learned CIT(A) also confirmed the disallowance of other items.

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

5. When the appeal was called on nobody appeared on behalf of the assessee despite due service of notice of hearing. Therefore, I proceed to dispose of the appeal after hearing the learned Sr. DR.

6. At the outset, I find that the CIT(A) had passed a very cryptic order without giving reasons as to why he is concurring with the view of the AO. The decision of the Hon'ble Apex Court Goetze (India) Ltd. (supra) has no application on the appellate authority. There are no fetter on the powers of the appellate authority to entertain new claims. Similarly, the CIT(A) had passed a very cryptic order while confirming the other disallowances without giving cogent reasons. Thus, the CIT(A) had passed the order in gross violation of the principles of natural justice. Therefore, the matter is restored to the file the CIT(A) for fresh disposal in accordance with law after affording reasonable opportunity of hearing to the appellant.

7. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 28th November, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 28th November, 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