

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AGRA BENCH, AGRA**

**BEFORE : SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 407/Agr/2025
Assessment Year: 2018-19**

Kanha Education Society, Geeta Colony, Dal Bazar, Gwalior.	Vs.	Income-tax Officer (Exemption), Gwalior.
PAN :AABAK8463F		
(Appellant)		(Respondent)

Assessee by	Sh. Rajendra Sharma, Advocate
Department by	Sh. Anil Kumar, Sr. DR

Date of hearing	20.11.2025
Date of pronouncement	08.12.2025

ORDER

PER : SUNIL KUMAR SINGH, JUDICIAL MEMBER:

This appeal has been preferred by assessee against the impugned order dated 01.07.2025 passed in Appeal No. NFAC/2017-18/10359370 by the Ld. ADDL/JCIT(A)-1, Guwahati u/s. 250 of the Income-tax Act, 1961 (hereinafter referred to as "the Act") for the assessment year 2018-19, wherein the Id. CIT(Appeals) has dismissed assessee's first appeal.

2. Brief facts state that the appellant is an educational society registered under the provisions of M.P. Societies Registration Act, 1973. The main and dominant object of the society is purely for educational purposes in terms of section 2(15) of the Act and not for the purposes of profit. The aggregate

receipts of the assessee society for the year under consideration do not exceed Rs. one crore. Assessee filed ITR-7 along with Form-10B for A.Y. 2018-19 on 09.10.2018, declaring nil income. CPC, Bangalore, vide, communication dated 04.12.2019, intimated the appellant assessee for the proposed adjustment u/s. 143(1)(a)(ii) of the Act, amounting to Rs.95,58,383/-. Further, CPC, vide order dated 10.03.2020 passed u/s. 143(1) of the Act computed assessee's income at Rs.95,58,383/- as against nil. Appellant assessee filed rectification application on 18.03.2024 against the order passed u/s. 143(1) dated 10.03.2020. The same was rejected by the Assessing Officer, vide order dated 20.03.2024 passed u/s. 154 of the Act.

3. Aggrieved assessee filed first appeal against the order dated 20.03.2024 passed u/s. 154 of the Act, before Ld. CIT(Appeals), which was dismissed.

4. Appellant assessee has approached this Tribunal against the impugned order dated 01.07.2025 passed by the Id. CIT(Appeals), raising following ground :

“ON THE FACTS & in the circumstances of the case, the learned CIT(A) has erred in law & fact in appreciating the fact that the appellant educational institution is existing solely for educational purposes and not for the purpose of profit, its gross receipts do not exceed Rs.1.00 Crore & it is entitled to exemption of its income u/s 10 (23C)(iiad) of the Income Tax Act, 1961. It is prayed that the claim of exemption of income u/s 10(23C) (iiad) of the Income Tax

Act, 1961 be allowed as per application made u/s 154 before the AO
& as contested in the appeal before the CIT(A), NFAC.
.....”

5. Perused the records. Heard learned AR for the appellant assessee and learned Sr. DR for the respondent revenue.

6. Learned AR has submitted that learned CIT(Appeals) has committed a mistake by passing the impugned order, ignoring the fact that the impugned disallowance was made by CPC, Bangalore merely on the ground that the assessee was not registered u/s. 12A/12AA or 10(23C)(iv) or 10(23C)(v) or 10(23C)(vi) or 10(23C)(via) of the Act, but has claimed exemption in the ITR, further submitting that the appellant society is entitled to claim exemption u/s. 10(23C)(iiiad), as its gross receipts did not exceed Rs.1.00 crore and no approval either u/s. 10(23C)(iiiad) or any registration u/s. 12A/12AA is required for claiming the exemption u/s. 10(23C)(iiiad) of the Act. Prayed to restore the matter back to the Id. CIT(Appeals) for passing the order on merits a fresh.

7. Learned Sr. DR has submitted that the assessee trust was neither registered u/s. 12A nor u/s. 10(23C) of the Act. However, when questioned by the Bench as to whether any such registration is required for claiming exemption u/s. 10(23C)(iiiad) of the Act, learned Sr. DR, instead of clarifying the issue, prayed to restore the matter back to the file of learned CIT(Appeals) for deciding the matter a fresh on merits.

8. The main point for determination under appeal is as to whether learned CIT(Appeals) erred in dismissing assessee's appeal, by declining exemption claimed u/s. 10(23C)(iiiad) of the Act, despite assessee's gross receipts being below Rs. 1.00 crore?

9. We notice that CPC, Bangalore has disallowed assessee's claim of exemption u/s. 10(23C)(iiiad) of the Act for want of registration under sections quoted hereinabove. In the instant case, the assessee seems to have exercised his option to claim exemption only u/s. 10(23C)(iiiad) of the Act and not under section 11 of the Act. CPC, Bangalore has not raised any question in respect of the genuineness of the gross receipts of the assessee. Rule 2BC(1) of the Income-tax Rules, 1962 provides that for the purpose of sub-clause (iiiad) of clause (23C) of section 10, the amount of annual receipt on or after the first day of April, 1998 of any university or other educational institution, existing solely for educational purposes and not for the purposes of profit, shall be one crore rupees. The present matter relates to A.Y. 2018-19 and the amendment to this section has been effected vide Finance Act, 2021 w.e.f. 01.04.2022, wherein the aforesaid limit has been raised to Rs. 5.00 crore. Therefore, the case of the assessee for the relevant assessment year 2018-19 falls under the limit of Rs.1.00 crore only.

10. Learned CIT(Appeals) has observed that the appellant did not submit copies of accounts before him. This apart, he, further observed that the issue

of whether “any university or other educational institution existing solely for educational purposes and not the purposes of profit” was not covered within the meaning of “mistake apparent from records”, as envisaged u/s. 154 of the Act, hence, dismissed the appeal. We find that the issue before learned CIT(Appeals) was limited to the extent as to whether assessee’s claim of exemption u/s. 10(23C)(iiiad) was allowable despite its non-registration under the aforesaid sections. This apart, assessee has filed the copies of its balance sheet and profit and loss account before this Tribunal for the relevant year, which, of course, needs verification. However, no finding has been given by the Id. CIT(Appeals) on this issue. Keeping the prayers of both the parties in view, we deem it just and appropriate to restore the matter back to the Id. CIT(Appeals) for deciding the matter afresh, keeping our observations made hereinabove in view. Aforesaid point is accordingly decided in positive in favour of the assessee. Appeal is liable to be allowed for statistical purposes.

11. In the result, the appeal is allowed for statistical purposes.

Order pronounced in the open court on 08.12.2025.

**Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER**

**Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER**

Dated: 08.12.2025

*aks/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, Agra