

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“PATNA BENCH, PATNA**  
**(VIRTUAL HEARING AT KOLKATA)**

**SHRI GEORGE MATHAN, JUDICIAL MEMBER**  
**SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

ITA No. 426/PAT/2025
Assessment Year : 2014-15

<b>Holy Family Church Orphanage Society,</b> Bishops House, Supriya Road, Bettiah, West Champaran - 845438 [PAN: AAATH3669J]	Vs.	<b>ITO Exemption, Ward MZF,</b> IT-Office, Chanderlok Building, Muzzaffarpur - 843101
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	None
Revenue by	:	Sh. Manab Adak, JCIT

Date of hearing	:	11.02.2026
Date of Pronouncement	:	12.02.2026

**ORDER**

**PER LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

This is an appeal filed by the assessee against the order passed u/s 250 of the Income Tax Act, 1961 (hereafter “the Act”) by the Ld. Addl./Joint Commissioner of Income Tax (Appeals)-1, Nashik [hereafter “the Ld. CIT(A)] dated 24.07.2025, DIN & Order No. ITBA/ALP/S/250/2025-26/1078871132(1) on the following grounds of appeal:

*“1. The CIT(A) has erred in confirming the order of the AO disallowing expenses to Rs.7,94,567/- done on adhoc basis. The disallowance is arbitrary without any basis and should be allowed.*

*2. The CIT(A) has erred in law and on facts in not appreciating that the assessee is a charitable society and all the expenses are duly verified and audited by a firm of Chartered Accountants backed by audited report in Form No.10B. Therefore, there is no reason for making adhoc disallowance.*

*3. The CIT(A) has erred in not appreciating that all the notices before AO were duly attended by Father P. Joseph, Treasurer of the society and the replies filed were test checked by the AO and no discrepancy found. General allegation that expenses are unverifiable is in the realm of conjectures and surmises and cannot form the basis of any addition or deletion.*

*4. The CIT(A) has erred in not allowing the claim of the assessee of Rs. 10,50,000/-being accumulation u/s 11(2) of the Act duly supported by Form No. 10 filed on 26-Sept-14.*

*5. The above grounds are without prejudice to one another.*

*6 The appellant prays to add, amend, forego any of the grounds at the time of hearing.”*

2. Briefly stated the facts of the case are that the assessee filed return of income on 06.05.2017. Subsequently, the case was taken up for scrutiny and order passed u/s 143(3) of the Act and assessing the income at Rs. 52,46,854/-. During the course of assessment proceedings, the assessee was asked to justify the claim of expenditure made but the assessee was unable to produce bills and vouchers and other documents in support of the expenditure claimed. Therefore, the AO did not accept the returned income ('Nil') shown by the assessee and made addition the assessee society registered u/s 12AA(a) of the Act vide registration No. 31, dated 16.02.1976 by the Ld. CIT(A), Patna.

3. Aggrieved from the above order of AO dated 21.12.2016, the assessee filed appeal before the Ld. CIT(A). The Ld. CIT(A) provided various opportunities to the assessee to rebut the findings of the AO in this regard the assessee filed written submissions and he also filed additional grounds of appeal which was dealt by the Ld. CIT(A) but the assessee could not rebut the finding of the AO. Accordingly, he dismissed the appeal of the assessee.

4. Aggrieved from the above order, the assessee filed appeal before the ITAT.
5. None present on behalf of the assessee.
6. On the other hand, the Ld. DR relied on the order of lower authorities and he has no serious objection.
7. Considering the submissions of the ld. DR. and perusing the entire material available on record and orders of authorities below. We noted that during the assessment proceedings, the AO has made adhoc disallowance of 20% of the expenditure claims for want of supporting documents not furnished by the assessee. Considering the facts of the case and in the interests of justice, we are remitting this issue back to the file of Ld. CIT(A) for denovo consideration after giving reasonable opportunity of being heard to the assessee and decide the issue as per law. The assessee is directed to substantiate his case with cogent documents in support of his claim and not seek unnecessary adjournments for early disposal of the case. In case of failure, no second leniency shall be granted to the assessee.
8. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced on 12.02.2026

Sd/-  
**(George Mathan)**  
**Judicial Member**

Sd/-  
**(Laxmi Prasad Sahu)**  
**Accountant Member**

Dated: 12.02.2026  
AK, Sr. P.S.

*Copy of the order forwarded to:*

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

//True copy//

By order

Assistant Registrar, Kolkata Benches