



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.179/PUN/2026
Assessment Year : 2019-20

Verala Development Society, 12 Kalanagar, Madhavnagar Road, PB No.49, Sangli - 416 416 Maharashtra PAN : AAATV1019N	Vs.	The Income Tax Officer, Exemption Ward, Kolhapur
Appellant		Respondent

Appellant by	:	Shri Sarang Gudhate
Respondent by	:	Shri Dayanand Jawalikar
Date of hearing	:	09.03.2026
Date of pronouncement	:	10.03.2026

आदेश / ORDER

The captioned appeal at the instance of assessee pertaining to A.Y.2019-20 is directed against the order dated 23.12.2025 framed by Addl/JCIT(A)-3, Chennai arising out of Intimation Order dated 18.05.2020 passed u/s. 143(1)(a) of the Income Tax Act, 1961 (in short 'the Act').

2. Assessee has raised following grounds of appeal :

"1. Under the facts and circumstances of the case and in law, CPC and Ld CIT(A) has erred in denying the benefit u/s.11 only on the reason that Form 10B is filed late, without appreciating the fact that it was filed before filing Income Tax Return.

2. Under the facts and circumstances of the case and in law, CPC and Ld CIT(A) has erred in denying the expenditure incurred and treating the Gross Receipts as Income.

3. Under the facts and circumstances of the case and in law, CPC erred in rejecting to assessee's claim in intimation u/s.143(1) as the scope of intimation u/s.143(1) is limited to prima facie adjustments.



4. *Under the facts and circumstances of the case and in law, Assessee is eligible for exemption u/s.11 being a charitable trust.*

5. *The appellant craves the permission to add, amend, modify, revise, substitute, delete or alter any/all of the above grounds of appeal if deemed necessary at the time of hearing of the appeal.”*

3. Brief facts of the case are that the assessee is a Charitable organisation and return of income for A.Y. 2019-20 e filed on 25.01.2020 declaring Nil income after claiming application of fund at Rs.11,12,999/-. In the income tax return, assessee has mentioned that there is change in the objects of the charitable organisation. Further, Audit Report on Form 10B was also not filed before the due date but it was filed prior to filing of income-tax return. Based on these two facts, CPC denied the claim of application of income made by the assessee and assessed the income at Rs.14,40,688/-. Before Id.CIT(A) assessee partly succeeded. Now the assessee is in appeal before this Tribunal.

4. Ld. Counsel for the assessee submitted that there has been an inadvertent mistake in filing of the return but even when there was no change in the objects of the assessee society and wrong information has been punched in the income tax return and an Affidavit asserting this fact has been sworn in by the Secretary of the assessee society stating that there has been no change in the objects of the society in the relevant year and the incorrect selection was purely unintentionally and technical error. Further, he also referred to the various decisions where it has been held that if the Audit Report on Form 10B is filed before the processing of return u/s.143(1)(a) of the Act then also such Audit Report needs to be considered. He also made an alternate contention



that even if assessee is not allowed benefit of section 11, then also even as an Association of persons, expenditure incurred during the year deserves to be allowed against the gross receipts and in that scenario also since the assessee has incurred loss during the year, no addition could be made in the hands of assessee.

5. On the other hand, ld. DR supported the order of ld.CIT(A).

6. I have heard the rival contentions and perused the record placed before me. I note that the CPC has denied benefit of section 11 to the assessee on account of two reasons firstly for stating that there is change in the objects of the assessee society and secondly Audit Report on Form 10B has been filed belatedly. I have gone through the Affidavit filed by the Secretary of the society and note that due to inadvertent mistake committed by the person filing the income tax return wrong information has been punched. So far as the Audit Report on Form 10B is concerned, the same was required to be furnished by 31.10.2019 but it was filed on 01.01.2020 which is prior to filing of the income tax return. Considering the aspect that there has been an inadvertent mistake in filing the return, I find merit in the contention of ld. Counsel for the assessee and find that there has been no change in the objects of the assessee society during the year. So far as delay in filing of Form 10B is concerned, I find that the same has been filed before filing the income tax return and same should have been admitted in view of plethora of decisions including that of this Tribunal in the case of *Jagadguru Panchacharya Education Society Vs. ITO – ITA No.2683/PUN/2024 order*



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dated 25.04.2025. Respectfully following the same, I am inclined to hold that assessee's claim of deduction u/s.11 of the Act for the application of income at Rs.11,12,999/- deserves to be allowed. Even otherwise, even if assessee is treated as an Association of Person (AOP) then also, as there is excess of expenditure over the gross receipts during the year, no income remains to be taxed in the hands of assessee. Thus, finding of ld.CIT(A) is reversed and impugned addition is deleted. Grounds of appeal raised by the assessee are allowed.

7. In the result, the appeal of the assessee is allowed.

Order pronounced on this 10th day of March, 2026.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 10th March, 2026.

Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar,
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.