

**INCOME TAX APPELLATE TRIBUNAL  
AGRA BENCH "DB": AGRA  
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 94/AGR/2026  
(Assessment Year: 2022-23)**

Shri Balwant Singh Public School Samiti, Sikandra Rao Road, Salempur, Sasni, Hathras, (Appellant)	Vs.	ITO, Ward-4(2)(4), Hathras (Respondent)
<b>PAN: AAJS4970P</b>		

Assessee by :	Shri Pankaj Garh, Adv
Revenue by:	Shri Shailendra Srivastava, Sr. DR
Date of Hearing	19/03/2026
Date of pronouncement	02/04/2026

**ORDER**

**PER M. BALAGANESH, A. M.:**

1. The appeal in ITA No. 94/AGR/2026 for AY 2022-23, arises out of the order of the Id National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 18.12.2025 against the order of assessment passed u/s 154 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 26.05.2025 by the Assessing Officer, CPC, Bengaluru (hereinafter referred to as 'Id. AO').

2. The Assessee has raised the following grounds of appeal before us:-

*"1. That the Ld. CIT (A) has erred both on facts and in law in confirming the addition made vide Rectification Order u/s 154 dated 26/05/2025 issued by CPC solely on the ground that there is failure on the part of the appellant to apply online for fresh registration or re-validation of its approval.*

*2. That Form 10AC was not required in the case of the appellant as the appellant society in the relevant year was not registered u/s 12A of the I.T. Act. Ld. CIT (A) has erred in dismissing the appeal on the ground that there is*

*failure on part of the appellant in fulfilling the statutory requirement mandated by Income Tax Act, 1961 for claiming exemption u/s 10 23C i.e. failure to obtain Form 10AC/10AD.*

*3. That the Ld. CIT (A) has legally erred in ignoring the undisputed fact that the sole activity of the appellant society being educational and the gross receipts being less than Rs 5 crore, the appellant society is also entitled to exemption under section 10 23C (iii ad) of the I.T Act.*

*4. That under the facts and circumstances of the case and the legal position, the addition made by CPC vide Rectification order and confirmed by Ld. CIT(A) The addition deserves to be deleted.*

*5. That without prejudice to the above grounds, the Ld. CIT (Appeals) has erred both on facts and in law in confirming the addition of Rs. 2,74,05,110/- made by CPC, which is the amount of gross receipt, thereby disallowing the entire revenue expenses.*

*6. That the assessee craves leave to add, alter, modify or delete any or all the grounds of appeal before or at the time of hearing of appeal.”*

3. We have heard the rival submissions and perused the materials available on record. The Assessee is a registered society carrying on an educational activity by running a school and is registered under section 10(23C) of the Act under old regime by CIT (Exemptions), Lucknow vide order dated 4-9-2018. The return of income for the assessment year 2022-23 was filed by the Assessee declaring Nil income after claiming exemption under section 10(23C)(vi) of the Act. The relevant figures are as under:-

Gross Receipts		Rs 2.74.05.111/-
Less: Application of income		
Revenue Expenses	Rs 2,34,16,849/-	
Income Exempt u/s 11(1)(a)		
15% of Gross Receipts	<u>Rs 39,88,262/-</u>	
		<u>Rs 2,74,05,111/-</u>

4. The return was duly processed by the Learned CPC, Bengaluru under section 143(1) of the Act on 14-2-2023 proposing adjustment with the following remarks :-

*"The details provided at S. No. A-19 of Schedule Part A General are not matching with the information as per Form 10AC. Hence the amount mentioned at S. No 4 & 6 (viii) of Part B1- Part BT is not allowable."*

5. The assessee complied to this adjustment notice as under:-

*"The assessee is not required to file Form 10AC as the assessee is not registered under section 12A. The assessee has filed Audit Report in Form 10BB and claiming the exemption u/s 10(23C)(vi). Hence the disallowance is not agreed. The assessee is not required to file Form 10AC as per the provisions of the Income Tax Act, 1961."*

6. Thereafter, intimation under Section 143(1) of the Act dated 21-03-2023 was issued accepting the declared nil income. Subsequently, the Learned CPC suo moto without issuing any notice to the Assessee issued rectification order under Section 154 of the Act dated 26-05-2025 wherein the entire gross receipts of Rs. 2,74,05,110 has been added. The reason for addition is given in the last page of the rectification order under Section 154 of the Act. Thus it was pleaded by the Learned AR that the rectification order under Section 154 of the Act is in violation of provisions of Section 154(3) of the Act. Due to technical glitch on the IT portal, the intimation under section 143(1) of the Act cannot be downloaded, but to verify the same, order under section 154 dated 26-05-2025 was attached by the Assessee.

7. The appeal preferred by the Assessee before the Learned CITA stood dismissed by observing as under:-

*"Therefore, considering the failure on the part of appellant in fulfilling the statutory requirement mandated by the Income Tax Act, 1961 for claiming exemption u/s 10(23C) i.e. failure to obtain Form 10AC/10AD. I do not find any merit in the appellant claim."*

8. We find that the present appeal is against the rectification order passed under section 154 of the Act dated 26-5-2025. We find that absolutely no opportunity was given to the Assessee before proposing to pass this rectification order thereby violating the provisions of section 154(3) of the Act. The Learned CITA had confirmed the rectification order dated 26-05-2024 for the reason that the Assessee has not fulfilled the mandatory requirement of complying with the re-registration procedure under the new regime. It is not in dispute that Assessee has been allowed registration earlier under section 10(23C) of the Act under the old regime and Assessee has not applied for re-registration under the new regime on the belief that since the Assessee trust is not registered under section 12A of the Act, the Assessee is not required to file Form 10AC for re-registration under the new regime. The Assessee in the return filed has claimed exemption under section 10(23C)(vi) of the Act. However, the Learned AR alternatively argued that considering the re-registration under the new regime, if the Assessee is not allowed benefit of exemption under section 10(23C)(vi) of the Act, then the Assessee would be legally entitled for exemption under section 10(23C)(iiiad) of the Act as admittedly the gross receipts of the Assessee is only Rs 2,74,05,110 which is less than the prescribed limit of Rs 5 crores and which fact is evident from the perusal of the audited balance sheet and income and expenditure account and schedules of the Assessee. Hence, we hold that Assessee would be entitled for exemption under section 10(23C)(iiiad) of the Act for the year under consideration. Hence, the alternative plea of the Learned AR is hereby accepted and allowed.

9. Since the alternative plea of the Assessee is accepted, the other grounds raised by the Assessee need not be adjudicated and they are left open.

10. In the result, the appeal of the Assessee is allowed.

Order pronounced in the open court on 02/04/2026.

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

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

Dated: 02/04/2026  
A K Keot

Copy forwarded to

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

ASSISTANT REGISTRAR  
ITAT, New Delhi