HC-KAR
CNR: KAHC010120222021

NC: 2026:KHC:40001-DB
ITA No. 167 of 2022
C/W ITA No. 107 of 2022

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE DR. JUSTICE K.MANMADHA RAO

INCOME TAX APPEAL NO. 167 OF 2022
C/W
INCOME TAX APPEAL NO. 107 OF 2022

BETWEEN:

1. THE COMMISSIONER
OF INCOME TAX, CIT(A) EXEMPTION
6TH FLOOR, UNITY BUILDING ANNEXE
MISSION ROAD, BENGALURU - 560 027.

2. THE ASST. COMMISSIONER OF INCOME TAX
CENTRAL CIRCLE (3), PRESENT ADDRESS
DCIT, CIRCLE-1 EXEMPTION
6TH FLOOR, UNITY BUILDING ANNEXE
MISSION ROAD, BENGALURU - 560 027.

...APPELLANTS
(COMMON IN BOTH APPEALS)

Digitally signed by NANJUNDACHARI
Location: High Court of Karnataka

(BY SRI. RAVI RAJ Y.V., AND SRI M DILIP, ADVS.)

AND:

M/S. ANANDA SOCIAL AND EDUCATION TRUST
NO.24, KADUGONDANAHALLI
BENGALURU - 560 045
PAN AAATA 7392M

...RESPONDENT
(COMMON IN BOTH APPEALS)

(BY SRI. T SURYANARAYANA, SR. ADV. FOR
SMT. TANMAYEE RAJKUMAR, ADV.)

THESES APPEALS ARE FILED UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 29/05/2020 PASSED

IN ITA NO.2660/BANG/2017 AND ITA NO.2548/BANG/2017 (ANNEX-C), FOR THE ASSESSMENT YEAR 2014-2015, PRAYING THIS COURT TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN; ALLOW THE APPEAL AND SET ASIDE THE ORDERS PASSED BY THE INCOME TAX APPELLATE TRIBUNAL, BENGALURU IN ITA NO.2660/BANG/2017 AND ITA NO.2548/BANG/2017 DATED 29/05/2020 FOR ASSESSMENT YEAR 2014-2015 ANNEXURE-C CONFIRMING THE ORDER OF THE APPELLATE COMMISSIONER AND CONFIRM THE ORDER PASSED BY THE DEPUTY COMMISSIONER INCOME TAX, CIRCLE-1 EXEMPTIONS BENGALURU AND ETC.

THESE APPEALS ARE COMING ON FOR HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
AND
HON'BLE DR. JUSTICE K.MANMADHA RAO

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE S.G.PANDIT)

Both the above appeals are taken up for hearing together since both the appeals arise between the same parties and both the appeals relate to assessment year 2014-15.

2. ITA.No.167/2022 was admitted on 03.03.2022 to examine the following substantial questions of law:

> *"1. Whether on the facts and in the circumstances of the case, the Tribunal is right in law in deleting the addition's made by the assessing authority towards unaccounted fees charged for UG*

and PG seats ignoring evidence brought on record by assessing authority and when collection of capitation fee by assessee is not voluntary which can partake character of income for purpose of section 2(24)(iia) of the Act and section 12(1) as well?

2. Whether on the facts and in the circumstances of the case, the Tribunal's order can be said as perverse in nature as relief to assessee is granted by deleting all additions made by assessing authority?

3. Whether on the facts and in the circumstances of the case, the Tribunal is right in law in deleting additions made towards fee charged for seats under Management/NRI Quota for undergraduate MBBs Programme, unaccounted fees received from PG Courses, Unaccounted income on account of fee charged for seats filled up against COEMED-K cancellation as per management quota fees and setting aside denial of exemption under section 11 and 12 of the Act ignoring seized materials and intention of legislature in granting exemption under Section 11 and 12 of the Act to educational institutions?"

3. ITA.No.107/2022 was admitted on 21.02.2022 to examine the following substantial questions of law:

"1. Whether on the facts and in the circumstances of the case, the Tribunal is right in law in deleting the addition's made by assessing authority towards unaccounted fees charged for UG and PG seats ignoring evidence brought on record by assessing authority and when collection of capitation fee by assessee is not voluntary which can partake character of income for purpose of section 2(24)(iia) of the Act and section 12(1) as well?

2. Whether on the facts and in the circumstances of the case, the Tribunal is right in law in allowing appeals preferred by assessee and in dismissing Revenue's appeal by completely ignoring seized materials and findings given by assessing authority for making additions which were based on seized materials?

3. Whether on the facts and in the circumstances of the case, the Tribunal is right in law in deleting additions made towards fee charged for seats under Management/NRI Quota for undergraduate MBBS Programme, unaccounted fees received from PG Courses, Unaccounted income on account of fee charged for seats filled up against COEMED-K cancellation as per management quota fees and setting aside denial of exemption under section 11 and 12 of the Act ignoring seized

materials and intention of legislature in granting exemption under section 11 and 12 of the Act to educational institutions?"

4. This Court in ITA.No.112/2022 and ITA.No.168/2022, between the same parties considered identical substantial questions of law and answered against the Revenue and in favour of the assessee.

5. In terms of the said judgment, substantial question of law Nos. 1 and 2 in both the appeals are answered in favour of the assessee and against the Revenue. The substantial question of law No.3 is left open. In terms of the said judgment, both the above appeals also stand ***dismissed***.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(DR.K.MANMADHA RAO)
JUDGE

NC
CT:bms: List No.: 1 Sl No.: 33