

**आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक**  
**IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK**

श्री जार्ज माथन, न्यायिक सदस्य एवं श्री मधुसूदन सावडिआ, लेखा सदस्य के समक्ष

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER  
AND  
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER**

आयकर अपील सं/ITA No.751/CTK/2025  
(निर्धारण वर्ष / Assessment Year : 2017-2018)

<b>Orissa Renewable Energy Development Agency (OREDA), Plot No:- S/59, Mancheswar Industrial Estate, Bhubaneswar, 751010, Bhubaneswar</b>	Vs	<b>DCIT(Exemption), Bhubaneswar</b>
PAN No. : <b>AAAAO 5083 C</b>		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri Bibekananda Mohanty, AR
राजस्व की ओर से /Revenue by	:	Shri Ashim Kr. Chakraborty, Id CIT DR
सुनवाई की तारीख / <b>Date of Hearing</b>	:	18/02/2026
घोषणा की तारीख/ <b>Date of Pronouncement</b>	:	18/02/2026

**आदेश / ORDER**

**Per Bench:**

This is an appeal filed by the assessee against the order passed by the Ld.CIT(A), National Faceless Appeal Centre (NFAC), Delhi dated 03/12/2025 in Appeal No.NFAC/2016-17/10485045 for the assessment year 2017-18.

2. Shri Bibekananda Mohanty, Id AR appeared for the assessee and Shri Ashim Kr. Chakraborty, Id CIT DR appeared for the revenue.
3. Ld AR has filed written submission, which reads as follows:

"The Odisha Renewable Energy Development Agency (OREDA) was constituted as a State Nodal Agency in the year, 1984 under aegis of Department of Science and Technology, Government of Odisha with a view to popularise the exploitation and use of renewable energy resources in the State"

The appellant is a Society formed by Government of Odisha for the purpose of General Public Welfare Activity registered under Society Registration Act and also registered under section 12AA of the Income Tax Act., 1961.

In response to the notice under section 148A, the assessee had filed its return of income for the relevant assessment year.

But the learned assessing officer on finding that there were credits of Rs. 1,85,55,69,393.00 in Bank Account, added an amount of Rs. 1,76,41,27,304.00 to the total income after adjusting Rs. 10,14,42,089.00 as reported expenditure in ITR. This resulted in to a huge demand of Rs. 1,74,21,57,383.00 including interest of Rs. 1,11,54,82,034.00. Being aggrieved with the said addition, the appellant preferred appeal before the First Appellate Authority for proper adjudication wherein the appeal was not allowed without considering (or mentioning) the submissions made on 25.12.2025 vide Acknowledgement No.637135881251125 and on 28.12.2025 vide Acknowledgment No.673839651281125.

That the assessee is a non-profit government organisation solely dependent on grants to be utilised for specific objective This is also supported by the communication issued by the Additional Secretary to Government, Science and Technology Department vide No.5718, ST Bhubaneswar dt. 09.12.16

During the year under consideration, it is seen that there were credits of Rs. 186,55,69,393/- to bank accounts. The learned Assessing Officer has considered the entire credit to the bank account as income from other source notwithstanding the fact that the entire credit is not revenue of OREDA.

Here the appellant enclosed the details of credit of Rs. 186,55,69,393/- into bank. The amounts credited to the bank accounts is mostly for their bank transfers/TDR Closures / Advance / Grants from State Govt. / Central Govt. funds or Advance from PSUs for installation of Solar Panels for generation of solar energy. The

details of credit to the bank which has been added to income by the learned assessing officer is mentioned in following paragraphs. The table mentioned in following paragraphs indicates the credits on account of Advance Grants from State Govt. / Central Govt. & other PSUs, Interbank Transfer, Transfer from Sweep A/c & TDR closure amounting to Rs. 184,58,86,605/- out of total credit of Rs. 186,55,69,393/-.

The learned assessing officer though was provided with summary of credit in bank accounts has effected the addition perhaps in misconception of the fact - interbank transfers, sweep transfers etc. were part of the income. Attention of Your Honor is requested to be drawn to page 6 of the assessment order dt. 17-03-25 which mentions the said summary being provided by the appellant during the course of hearing. The said table is further presented in the allowing modified form:

The break-up total Bank Credit amounting to Rs. 1,86,55,69,393.00		
Inter Branch / Bank Transfer		82,75,28,921.00
TDR Closure		26,28,53,803.00
Received from Sweep Account		8,36,69,937.00
Wrong Credit Reversal		70,455.00
Advance / Grant received from State Government / Central Government / Various PSU		67,18,33,944.00
Interest on Bank Deposits (Refundable to Govt)		1,96,12,334.00
Grand Total:		1,86,55,69,393.00

The above implies there has been credits in the bank accounts for inter-branch / bank transfer, TDR Closer etc. Further Bank wise

summary of the said figures were presented before the Honourable First Appellate Authority along with copy of the related bank statements highlighting different transactions in different colours for a clear understanding including Copy of Sanction Letters from State Government / Central Government / other Undertakings for development of Solar Energy,  
The above tabular presentation is further summarised in total bank wise as follows:

BANK NAME	Type Of Bank Account	A/C NO.	Amount Credited during the year 16-17
HDFC	Saving A/C	12521450000222	36,42,83,315.00
IDBI	Saving A/C	129504000025799	53,16,33,345.00
IDBI	Saving A/C	129505000005609	22,48,71,626.00
SBI	Saving A/C	5209989404	73,60,71,464.0
SBI	Saving A/C	10856692492	46,96,595.00
SBI	Saving A/C	35061929511	7,97,480.00
SBI	Saving A/C	35536819385	2,00,539.00
SBI	Saving A/C	11042696813	30,30,439.00
TOTAL			1,86,55,84,803.00

Sir, all the above implies the transactions were not of income in nature for the appellant rather a portion of which includes fund / grants received for executing the work of developing SOLAR Energy in advance and a small portion as interest on unspent grant funds mostly which are refundable to the donor agencies.

It appears from the Assessment Order as well the Appellate Order that, despite submission of details of credit into bank account for a small mistake by the appellant, the learned assessing officer treated the same as income from other sources. In this context Paragraph 4.5 and 4.6.3 of the Order were reproduced therewith as follows:

"4.5 Point wise rebuttal of reply of the assessee including analysis of any case law relied upon:- The assessee has stated that it is a Government Society formed by Government of Odisha for the purpose of General Public welfare registered under Society Registration Act and the assessee is a non-profit making government organisation solely dependent on grants to be utilised for specific objective. The assessee has requested to take credit in bank accounts as other sources of income."

"4.6.3 During the year, it is found that there are credits of Rs. 1,86,55,69,393/- in bank account including receipt of interest and the assessee has requested to take the credits in bank accounts as other sources of income. The auditor has reported expenditure of Rs. 10,14,42,089/- only, the assessee has not filed any proof for application of balance credits. Therefore, balance of Rs. 1,76,41,27,304/- is being taken as Income from Other Sources and added to the total income of the assessee."

As can be observed from above, the learned assessing officer as well the Honourable First Appellate Authority relied mainly on assessee's erroneous submission that " it requested to take credit in bank accounts as other source of income". Sir, the sentence was erroneously uploaded omitting "Not" before "to" and it was not intended to be said so. The very nature of transactions is needed to be seen before making decision. But the learned assessing officer and the Honourable First Appellate Authority ignored all the submissions including inter bank transfers, TDR Closures, bank statements etc. but solely relied upon the erroneously written sentence that "the assessee requested to take credit in bank accounts as other source of income".

In view of the above, when facts are there regarding nature of transactions evidenced with bank statements, the learned Assessing Officer's action as well confirmation by the Honourable First Appellate Authority treating the credit amount in the Bank as other sources of income is in complete violation of natural justice and being aggrieved with such unilateral order, the appellant is now in appeal before Your August Forum for proper adjudication of the matter as per grounds of appeal.

It is further to submit to Your Honour that subsequent to the year under appeal a Public Company namely OREDA Limited" has been incorporated on 9th May, 2024 with 100% shareholding by the Government of Odisha to take over all the assets and liabilities of the appellant entity.

And finally in connection with the matter in appeal, the following few submissions are made.

1. That the applicant is a society formed by Government of Odisha having 12AA Registration and undertakes the activities to popularize and for exploitation of use of renewable energy resources.

2. That the entire addition was out of credits into bank accounts and comprises mainly of inter-branch / bank transfer, TDR Closer, Transfer from sweep account, etc. implying there by the funds were routing within the organization.

3. In a situation like above due to delayed submission and mistake in writing the letter (Omission of the word "NOT"), the addition was affected. And the Honorable First Appellate Authority without considering the facts, despites detailed submissions confirmed the addition. This has resulted in a demand of Rs 1,74,21,57,383.00.

4. In view of the above, since there have been no verification and consideration of facts and figures by below the authorities it is requested if it is not otherwise convenient to set-aside the matter to the file of the Learned Assessing Officer for a detailed verification.

In view of the above Your Honour is requested to consider the matter in the interest of justices for which the appellant shall remain ever grateful."

4. It was the submission by Id AR that the details have been submitted before the Assessing Officer and Id CIT(A) but they were not looked into. It was the submission that inadvertently, the assessee had mentioned in its

reply that "requested to take the credits in bank accounts as other sources of income". He submitted that there was a typographical error insofar as the word "not" was missed before the word "to". Accordingly, the facts of the case have not been considered in true spirit. Ld AR submitted that the issues may be restored to the file of the JAO for readjudication.

5. In reply, Id CIT DR submitted that the assessee admittedly is a Government of Odisha undertaking during the impugned assessment year. The Assessing Officer in his assessment order has specifically mentioned that the auditor was unable to explain the accounts. It was the submission that the order of the Id CIT(A) is liable to be upheld.

6. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that admittedly, during the impugned assessment year, the assessee is a Society formed by the Government of Odisha for the purpose of General Public Welfare Activity registered under Society Registration Act and also registered under section 12AA of the Income tax Act, 1961. A perusal of the facts also shows that the assessee has shown various accounts that despite submission of the details and credit in the bank account, the Assessing Officer has not considered the submission of the assessee so also the order of the Id CIT(A). This being so, in the interest of justice, the issues in this appeal are restored to the

file of the Jurisdictional Assessing Officer for readjudication after granting the assessee adequate opportunity of hearing to the assessee.

7. In the result, appeal of the assessee stands partly allowed for statistical purposes.

Order dictated and pronounced in the open court on 18/02/2026.

**Sd/-**  
(मधुसूदन सावडिआ)  
**(MADHUSUDAN SAWADIA)**

लेखा सदस्य/ **ACCOUNTANT MEMBER**

**Sd/-**  
(जार्ज माथन)  
**(GEORGE MATHAN)**

न्यायिक सदस्य / **JUDICIAL MEMBER**

दिनांक Dated 18/02/2026

Shri P.K.Mishra, Sr PS

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

1. अपीलार्थी / The Appellant- Orissa Renewable Energy Development Agency (OREDA), Plot No:- S/59, Mancheswar Industrial Estate, Bhubaneswar, 751010, Bhubaneswar
2. प्रत्यर्थी / The Respondent- DCIT(Exemption), Bhubaneswar
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

**(Assistant Registrar)**  
आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack