

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक

IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER

AND

SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आयकर अपील सं/ITA No.771&772/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2017-2018 & 2015-2016)

DRDO Range Educational Society Chandipur Range School Chandipur Baleswar-756025	Vs	ITO (Exemption), Cuttack
PAN No. : AAALD 0864 F		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Nanak Fogla, AR
राजस्व की ओर से / Revenue by	:	Shri Vijay Singh, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	18/02/2026
घोषणा की तारीख / Date of Pronouncement	:	18/02/2026

आदेश / O R D E R

Per Bench :

These two appeals are filed by the assessee against the separate orders of the Ld.Addl./JCIT(A)-11, Delhi, dated 29.08.2024 and the order of the Id. Addl./JCIT(A) Faridabad, dated 20.03.2025 for the assessment years 2015-2016 & 2017-2018, respectively.

2. Both the appeals of the assessee have been filed belatedly. In this regard, the assessee has filed an affidavit stating therein sufficient reasons for delay in filing the appeal before the Tribunal, which are not found to be false. Ld. Sr. DR did not object to condone the delay. Accordingly, we condone the delay in filing both the appeals before the Tribunal and both appeals of the assessee are admitted for hearing.

ITA No.772/CTK/2025 (AY : 2015-2016)

3. First, we shall take up the appeal of the assessee in ITA No.772/CTK/2025 filed for A.Y.2015-2016, wherein it was submitted by the

Id. AR that the appeal against the order u/s.143(1) of the Act for the A.Y.2015-2016 issued by the CPC, which has been confirmed by the Id. CIT(A). It was the submission that the CPC has denied the exemption claimed by the assessee u/s.10(23C)(iiiad) of the Act and taxed the entire receipt of the assessee as the income in the hands of the assessee. The denial of exemption u/s.10(23C)(iiiad) of the Act and taxing the entire gross receipts of the assessee is beyond the power of CPC u/s.143(1) of the Act. Therefore, it is submitted that the intimation issued u/s.143(1) of the Act is liable to be quashed and in consequence thereof the order passed by the Id. CIT(A) deserves to be dismissed.

4. In reply, Id. Sr. DR vehemently supported the orders of the CPC and Id. CIT(A).

5. We have considered the rival submissions. A perusal of intimation u/s.143(1) of the Act shows that the CPC has denied the exemption claimed by the assessee u/s.10(23C)(iiiad) of the Act and taxed the entire receipt of the assessee as the income in the hands of the assessee. The denial of exemption u/s.10(23C)(iiiad) of the Act and taxing the entire gross receipts of the assessee is beyond the power of CPC u/s.143(1) of the Act. If the Revenue desires to deny the assessee the benefit of exemption, then the option available to the Revenue was to assess the real income of the assessee u/s.143(3) of the Act instead of treating the entire gross receipt as income in the hands of the assessee u/s.143(1) of the Act. As the intimation issued u/s.143(1) of the Act taxing the gross receipts is not in line with the provisions of section 143(1) of the Act, the intimation u/s.143(1) of

the Act stands quashed. Accordingly, the order of the Id. CIT(A) is also set aside.

ITA No.771/CTK/2025 (AY : 2017-2018)

6. In regard to appeal of the assessee i.e. ITA No.771/CTK/2025 filed for the assessment year 2017-2018, it was submitted by the Id. AR that the said appeal is against the order passed u/s.154 of the Act arising out of the intimation issued u/s.143(1) of the Act. In the said intimation, the CPC has denied the exemption claimed by the assessee u/s.10(23C)(iiia) of the Act and taxed the entire receipt of the assessee as the income in the hands of the assessee. Under the identical facts, we have quashed the intimation of CPC issued u/s.143(1) of the Act in ITA No.772/CTK/2025 (AY:2015-2016). As the facts of the case in present appeal are identical to the facts of the case in ITA No.772/CTK/2025, our observation and findings in ITA No.772/CTK/2025 for the assessment year 2015-2016 shall apply *mutatis mutandis* to this appeal i.e. ITA No.771/CTK/2025 (AY: 2017-2018) also. Therefore, the intimation of CPC u/s.143(1) of the Act and consequential order of the Id. AO u/s.154 of the Act are hereby quashed. Accordingly, the order of the Id. CIT(A) is also set aside.

7. In the result, both appeals of the assessee are allowed.

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

**Sd/-
(MADHUSUDAN SAWDIA)**

लेखा सदस्य/ ACCOUNTANT MEMBER

**Sd/-
(GEORGE MATHAN)**

न्यायिक सदस्य / JUDICIAL MEMBER

दिनांक Dated 18/02/2026

Prakash Kumar Mishra, Sr.P.S.

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

1. अपीलार्थी / The Appellant -
2. प्रत्यर्थी / The Respondent-
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.

आदेशानुसार/BY
ORDER,

सत्यापित प्रति //True Copy//

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