

IN THE INCOME TAX APPELLATE TRIBUNAL, CUTTACK BENCH CUTTACK

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

ITA No. 44/CTK/2026
(Assessment Year: 2016-17)

New Hope Society, C/o- New Hope Society Main Road, Hillpatna, Berhampur-760005 (Odisha) PAN No. AABTN 1122 D	Vs.	I.T.O., Exemption Ward, Berhampur.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Shri S.K. Sabat, A.R.
Department represented by	Shri Sanjib Banerjee, Sr.DR
Date of hearing	23/02/2026
Date of pronouncement	23/02/2026

ORDER

PER: BENCH

1. This is an appeal filed by the assessee against the order of the Id. CIT(A), NFAC, Delhi in Appeal No. CIT(A), Bhubaneswar-3/10117/2018-19 dated 12/12/2025 for the A.Y. 2016-17.
2. Shri S.K. Sabat, Id. A.R. appeared on behalf of the assessee and Shri Sanjib Banerjee, Sr.DR represented on behalf of the revenue.
3. It was submitted by the Id. AR that in the course of assessment, the Assessing Officer had brought to tax an amount of Rs. 51,92,000/- shown by the assessee in its balance sheet as corpus donations. It was the submission that the said amount was received towards the laboratory equipment cost which has been directly taken to the balance sheet. The break up of the same was shown at page No. 29 of the paper book which reads as follows:

Om Sai College of Pharmacy & Health Science

Date	Particulars	No of student	Development fees p.a.	Amount
31.03.2016	Batch (2015-16)	60	4000	240,000.00
31.03.2016	Batch (2013-14)	22	4000	88,000.00
				328,000.00

School of Nursing & Health Sciences

Date	Particulars	No of student	Development fees p.a.	Amount
31.03.2016	ANM (15-16)	20	6000	120,000.00
31.03.2016	ANM (14-15)	20	6000	120,000.00
31.03.2016	GNM (2014-15)	40	6000	240,000.00
31.03.2016	GNM (2013-14)	40	4000	160,000.00
31.03.2016	GNM (2012-13)	40	4000	160,000.00
31.03.2016	GNM (2011-12)	40	2000	80,000.00
				880,000.00

Aum Sai Institute of Technical Education

Date	Particulars	No of students	Development fees p.a.	Amount
31.03.2016	Diploma Engineering (BATCH 2013-14)	205	5800	1,189,000.00
31.03.2016	Diploma Engineering (BATCH 2014-15)	287	5800	1,664,000.00
31.03.2016	Diploma Engineering (BATCH 2015-16)	195	5800	1,131,000.00
				3,984,000.00

Grand Total 5,192,000.00

It was the submission that the development charges were collected inline with the direction of the Government of Orissa wherein the Government has permitted the private colleges to collect development fees which is shown at page No. 41, para. 9.2 of the paper book which reads as follows:

9.2 Private Colleges (Maximum permissible fee. Colleges are at liberty to charge less)

	<u>1st year</u>	<u>2nd year</u>
I. Tuition fee (including cost of teaching, evaluation Conduct of Laboratory practicals etc. and no Extra fee on other ground are to be charged	₹ 14,000/-	₹ 15,000/-
II. Development fee (Laboratories, equipments, Library etc. are to be maintained out of the Development fee).	₹ 4,000/-	₹ 4,000/-
III. Other fees (including fees for annual function, Picnic, cultural game & sports).	₹ 1,000/-	₹ 1,000/-
IV. Caution money (refundable after the course)	₹ 1,000/-	Nil
TOTAL	₹ 20,000/-	₹ 20,000/-

Registration fee of Odisha State Board of Pharmacy is extra.

The Id. AR further drew our attention to the depreciation schedule on the fixed assets as on 31/03/2016 (page No. 28 of the paper book) which shows the total value of laboratory equipment as on 31/03/2016 at Rs. 18,81,621/-. It was the submission that the development fees were used for the laboratory equipment.

4. In reply, the Id. Sr.DR submitted that the assessee has not been able to produce any receipts to show that the development fees has been directed to be paid towards the corpus. It was the submission that the same is liable to be treated as revenue.
5. We have considered the rival submissions. A perusal of the depreciation schedule on the fixed assets as on 31/03/2016 (page No. 28 of the paper book) shows that the opening balance of the laboratory equipment is Rs. 17,85,571.52. The additions during the year is Rs. 76,450/- for a period of more than six months and Rs. 19,500/- for a period of less than six months. The same is not found in agreement with the submission of the Id. AR. Further the assessee, admittedly, has not been able to produce any evidence before us to show that the persons who have given the development fees have desired that the development fees is to be taken to the corpus fund. In fact, a perusal of the break up of the development fees collected, shows that the fixed amount has been collected from the students as has been admitted by the Id. AR of the assessee, this is a part of the consolidated fees which has been broken down by the assessee in its accounts in line with the maximum fees permissible to be collected by the government. Admittedly,

this is not a corpus donation. This being so, we find no error in the orders of the Assessing Officer and the Id. CIT(A) which calls for any interference.

6. In the result, this appeal of the assessee is dismissed.

Order dictated and pronounced in the open court on 23/02/2026.

Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Ranchi, Dated: 23/02/2026

**Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT(A)
4. CIT
5. DR
6. Guard File

By Order

Assistant Registrar, ITAT, Cuttack