

IN THE INCOME TAX APPELLATE TRIBUNAL
“CUTTACK BENCH, CUTTACK
VIRTUAL HEARING AT KOLKATA

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND SHRI RAJESH KUMAR, ACCOUNTANT MEMBER

ITA No.522/CTK/2025
Assessment Year: 2020-21

ITO, Cuttack	Vs	Sishu Kalyan Samity SCB Cuttack Sadar, Cuttack, Odisha-753007. (PAN: AAETS1542H)
(Appellant)		(Respondent)

Assessee by : Shri P. R. Mohanty, AR
Revenue by : Shri Shakeer Ahamed, Sr. DR

Date of Hearing : 16.03.2026
Date of Pronouncement : 16.03.2026

ORDER

PER BENCH:

This is an appeal filed by the revenue against the order of the NFAC, Delhi [hereinafter referred to as the 'CIT(A)'] in appeal no.NFAC/2019-20/10217792 dated 15.07.2025 for the assessment year 2020-21.

2. Shri P. R. Mohanty, AR, represented on behalf of the assessee and Shri Shakeer Ahamed, Sr. DR represented on behalf of the revenue.

3. In the revenue's appeal, the revenue has raised the following grounds of appeal:

1	<p>Grounds of Appeal 1. On the facts and in the circumstances of the case and in law, the learned CIT(A) erred in deleting the addition of ₹1,52,64,684/- made by the AO u/s 11(2), ignoring that the assessee had been accumulating funds for the same purpose since F.Y. 2013-14 without commensurate application, thereby defeating the mandate of application of income towards the object of the trust. 2. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition of Rs. 56,82,948/- made by the AO u/s. 11(3) of the Act, ignoring the fact that the assessee had been accumulating funds for the same purpose since F.Y. 2013-14 and failed to spend the same within the time prescribed under the income tax Act, 1961.</p>	F
2	<p>3. The Ld. CIT(A) erred in facts and in law granting relief to the assessee without verifying whether the accumulated amounts were actually utilised for the specified purposes with the stipulated time when the assessee had not filed returns of income for assessment years subsequent to A.Y. 2021-22. 4. The Ld. CIT(A) erred in law and on facts in allowing the assessee's Appeal in full and deleting the additions aggregating Rs. 2,09,47,668/- overlooking the AOs detailed findings regarding repeated accumulation without application and non utilisation of past accumulations. 5. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in admitting and relying on additional evidences such as Govt. letters, MoU with DAV College Trust, project estimates, etc., which were never produced before the AO, thereby violating the provisions of Rule 46A of the Income-tax Rules, 1962.</p>	
3	<p>6. The appellant craves leave to add, alter, amend, OR withdraw any ground of appeal at the time of hearing.</p>	

3.1 It was the submission by the ld. DR that in the course of assessment, it was noticed that the assessee was accumulated substantial funds for development of a school. It was the submission that the assessee has not used the said funds for the development of school. It was the submission that consequently, the Assessing Officer

disallowed the assessee's claim in regard to an amount of Rs.1,52,64,684/- and an amount of Rs.56,82,948/-. It was the submission that the amount of Rs.56,82,948/- was accumulated from F.Y 2013-14 and the same has not been spent within the time prescribed under the Act. It was the submission that the amount of Rs.56,82,948/- has not been used within the prescribed time and therefore, the assessee is not entitled to the benefit of exemption of the said amount.

4. In reply, the ld. AR drew our attention to para 15.8 of order of the ld. CIT(A). It was the submission that the details have been produced before the Assessing Officer and the ld. CIT(A). The ld. AR further submitted that the income accumulated by the assessee for the F.Y 2019-20 is liable for exemption since the amount is earmarked and allowable for the charitable or religious purpose. It was the submission that there was a delay on the part of the state government to hand over the newly constructed building and the entire accumulation has been kept in the form of fixed deposits as per the requirement and the same is to be spend/expended as per the estimated plan and program of construction and infrastructures developments. It was the submission that the ld. CIT(A) in para 15.8 has considered all these facts and has given a conscious decision that there was no intention to violate by the assessee. Only because of the state govt. delay and compelling situation, the accumulated fund could not be utilized for the purpose it was accumulated but kept invested in the prescribed form under the provisions of section 11(5) of the Act. It was the submission that the order of the ld. CIT(A) is liable to be upheld.

5. We have considered the rival submissions. A perusal of the facts in the present case shows that the new building was being constructed for medical college and hospital is a known fact. The delay in the

construction admittedly is on the part of the state government. The assessee has done nothing to violate the provisions of section of 11 of I.T Act. The assessee was unable to proceed with charitable activity because of the delay from the part of the state government in allotting the new building. The assessee has in fact kept the funds in the form as prescribed in I.T. Act and has not also used the said amount for any other purposes. This being so, it is noticed that the order of the ld. CIT(A) is well-reasoned and does not call for any interference. In our considered view, both the additions of Rs.1,52,64,684/- and Rs.56,82,948/- were rightly deleted by the ld. CIT(A) and the order of the ld. CIT(A) stands confirmed.

6. In the result, the appeal of the revenue is dismissed.

Kolkata, the 16th March, 2026.

Sd/-

[Rajesh Kumar]

लेखा सदस्य/Accountant Member

Sd/-

[George Mathan]

न्यायिक सदस्य/Judicial Member

Dated: 16.03.2026.

RS

Copy of the order forwarded to:

1. Appellant -
2. Respondent –
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar