

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.451/CTK/2025
Assessment Year: 2016-17

Jyakishan Youth Club P.O-Gadasahi, VIA-Kanas, Dist_ Puri, Odisha-752017. (PAN: AAAAJ2434L)	Vs	ITO, Exemption, Bhubaneswar
(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 assessee against the order of the Commissioner of Income Tax (Appeals), ADDL/JCIT(A)-1, Chennai [hereinafter referred to as the ‘CIT(A)’] in appeal no.NFAC/2015-16/10393515 dated 17.06.2025 for the assessment year 2016-17.

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. It was the submission by the ld. AR that the assessee for the impugned assessment year had filed its return of income on 27.09.2016. The return was processed and an intimation u/s 143(1) was issued on

21.02.2018 wherein the assessee's claim of exemption u/s 11 & 13 of the Act had been denied. It was the submission that subsequently, a suo moto proceedings u/s 154 was done by the Assessing Officer allowing the assessee's claim of exemption vide an order dated 07.08.2019. It was the submission that consequent to the said order u/s 154, an intimation u/s 143(1) was modified and the assessee's claim for exemption came to be allowed. It was the submission that subsequently, another suo moto rectification was done u/s 154 and an order was passed on 23.11.2019 wherein the assessee's claim for the exemption u/s 11 and 13 had been denied. It was the submission that against the said order u/s 154 dated 23.11.2019, the assessee filed an appeal before the JCIT(Appeals) who held that there was delay in filing of Form 10B and consequently dismissed the appeal of the assessee. It was the submission that the assessee has been originally denied the benefit of exemption u/s 11 & 13 and then again allowed the said claim u/s 154 by an order dated 07.08.2019 and against the denial of the said exemption by an order u/s 154 dated 23.11.2019 clearly shows that the issues are debatable and the same cannot be done in a rectification u/s 154. It was the prayer that the order u/s 154 dated 23.11.2019 is liable to be quashed.

4. In reply, the ld. Sr. DR submitted that the assessee has delayed in filing Form 10B. It was the submission that the denial of exemption was rightly done in the order u/s 154 of the Act.

5. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that an intimation u/s 154 has been issued denying the claim of exemption by the Assessing Officer suo moto after an earlier rectification granting the exemption to the assessee. Again passing an order u/s 154, the exemption has been denied. This clearly shows that the issue is highly debatable and the same cannot be treated as mistake apparent from record which can be rectified by an order u/s 154 of the Act. Another aspect is that if the claim of exemption

u/s 11 & 13 of the Act is denied to the assessee, it is incumbent to the Assessing Officer to treat the income of the assessee as business income and accordingly, proceed with assessment. This was also not done. This being so, as the issue is debatable issue, the order passed u/s 154 dated 23.11.2019 is quashed as impermissible.

6. In the result, the appeal of the assessee is allowed.

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