

Sri Baidyanath Memorial Trust v. Income Tax Officer, Exemption Circle, Bhubaneswar and Others

W.P.(C) No. 1755 of 2026

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Orders of ITAT Cuttack and Addl./JCIT(A) Nashik refusing to condone 822-day delay in filing first appeal against section 143(1) CPC intimation (disallowing Rs. 2,60,16,856 charitable exemption) set aside by applying Supreme Court Covid-19 limitation exclusion.

Income-tax Act, 1961: sections 10(23C), 11, 12AA, 143(1), 249(3), 250 and 254 | Constitution of India: Article 226

High Court of Orissa | 2-judge bench (Division Bench) | Harish Tandon, C.J. | M.S. Raman, J.

Assessment years: 2019-20

Sets aside both ITAT order (ITA No. 438/CTK/2025) and Addl./JCIT(A) order under Article 226

Rather than remanding the condonation issue, the High Court itself condoned the delay on page 6 and directed the First Appellate Authority to decide the appeal on merits.

01 FACTS OF THE CASE

The petitioner, a charitable educational trust registered under section 12AA and approved under section 10(23C), filed its return for AY 2019-20 claiming exemption of Rs. 2,60,16,856. On 24.12.2021 — during the Covid-19 pandemic period — CPC Bengaluru issued an intimation under section 143(1) disallowing the entire exemption of Rs. 2,60,16,856 and raising a tax demand of Rs. 1,10,59,860. After first pursuing rectification and revision remedies, the trust filed a first appeal before the Addl./JCIT(A)-1, Nashik with an 822-day delay. By order dated 17.06.2025, the Addl./JCIT(A)-1 dismissed the appeal in limine as barred by limitation, and by order dated 26.09.2025 in ITA No. 438/CTK/2025, the ITAT Cuttack Bench affirmed the refusal to condone delay.

Source: [Pages 1-4 of 7 \(Paragraphs 1-5\) \(20260219_ODHC010028672026.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench observed that the CPC intimation under section 143(1) was passed on 24.12.2021, squarely within the Covid-19 limitation-exclusion window (15.03.2020 to 28.02.2022, with an additional 90 days from 01.03.2022) mandated by the Supreme Court in In Re: Cognizance for Extension of Limitation, and the remaining period was explained by the trust's bona fide pursuit of rectification/revision remedies and administrative difficulties. Both the First Appellate Authority and the ITAT adopted an overly pedantic approach in refusing to condone delay when a registered charitable trust faced a Rs. 1.10 crore demand due to a CPC processing adjustment.

Source: [Pages 4-6 of 7 \(Paragraphs 6-8\) \(20260219_ODHCo10028672026.pdf\)](#)

03 JUDICIAL DECISION

The High Court set aside both the ITAT Cuttack Bench order dated 26.09.2025 (ITA No. 438/CTK/2025) and the Addl./JCIT(A)-1 Nashik order dated 17.06.2025, condoned the delay in filing the first appeal, and restored the appeal to the file of the First Appellate Authority for fresh adjudication on merits in accordance with law.

Source: [Pages 6-7 of 7 \(Paragraphs 9-10\) \(20260219_ODHCo10028672026.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Sri Baidyanath Memorial Trust); ITAT and JCIT(A) orders set aside, delay condoned, and appeal restored to JCIT(A) for merits disposal.

Source: [Pages 6-7 of 7 \(Paragraphs 9-10\) \(20260219_ODHCo10028672026.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Appellate authorities must exclude the Covid-19 suo motu period up to 30.05.2022 when computing delay against a December 2021 section 143(1) intimation and should adopt a justice-oriented approach where a registered charitable trust faces denial of its entire section 11/10(23C) exemption on technical processing grounds.

Source: [Full judgment PDF \(7 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260219_ODHC010028672026.pdf\)](#)

Reviewed from the complete 7-page official High Court judgment PDF (20260219_ODHC010028672026.pdf, SHA-256: 80462568f044ca21a65ca231bfe398ff9eb4d6fceed97d6ee11365d773f37aec).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (7 physical pages, 172,465 bytes, SHA-256: 80462568f044ca21a65ca231bfe398ff9eb4d6fceed97d6ee11365d773f37aec). Cloud Google Drive File ID: 1kP2Ev9vOUuvN67DVQl-enozeEVoiVmSd (<https://drive.google.com/file/d/1kP2Ev9vOUuvN67DVQl-enozeEVoiVmSd/view>).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

AI DISCLOSURE

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