

Kendrapara College v. Commissioner of Income Tax (Exemption) and Another

WP(C) No. 4169 of 2026

WP(C) No. 4169 of 2026 (Ori HC, decided 19.02.2026) | 2026-02-19

Section 143(1) CPC intimation passed before expiry of the 30-day clarification window and CIT(E)'s section 264 rejection set aside where a government-aided college claimed section 10(23C)(iiiab) exemption in ITR-7 but inadvertently typed 'o' in Part-2B(2b).

Income-tax Act, 1961: sections 10(23C)(iiiab), 143(1) and 264 | Constitution of India: Article 226

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

Assessment years: 2023-24

Sets aside both CPC intimation (23.12.2024) and CIT(E) Hyderabad s. 264 order (27.11.2025)

The Court set aside both orders so that the underlying ITR-7 discrepancy for AY 2023-24 can be freshly processed after taking note of the college's reply.

01 FACTS OF THE CASE

Kendrapara College, an educational institution substantially financed by the Government and eligible for exemption under section 10(23C)(iiiab), filed its return in Form ITR-7 for AY 2023-24. While it explicitly selected section 10(23C)(iiiab) at Serial No. A17 of Form ITR-7, it inadvertently entered 'o' in Part-2B(2b) relating to the exemption amount. On 29.11.2024, CPC issued a communication granting 30 days to explain the discrepancy, but before the 30-day period expired on 29.12.2024, CPC passed an intimation under section 143(1) on 23.12.2024 raising a demand of Rs. 2,34,47,050. The college's revision petition under section 264 was also rejected by the CIT (Exemption), Hyderabad on 27.11.2025 by invoking Goetze (India) Ltd. v. CIT.

Source: [Pages 1-3 of 4 \(Paragraphs 1-4\) \(20260219_ODHCo10087692026.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench held that the section 143(1) intimation dated 23.12.2024 suffered from a patent procedural illegality because it was passed prematurely inside the 30-day response window promised in CPC's own communication dated 29.11.2024. Furthermore, the CIT (Exemption) erred in rejecting the section 264 revision petition on the basis of Goetze (India) Ltd., which restricts only the Assessing Officer from entertaining a fresh claim without a revised return and does not fetter the revisional jurisdiction of the Commissioner under section 264 or correction of an obvious data-entry slip in Form ITR-7.

Source: [Pages 3-4 of 4 \(Paragraphs 5-7\) \(20260219_ODHCo10087692026.pdf\)](#)

03 JUDICIAL DECISION

The High Court set aside both the section 143(1) intimation dated 23.12.2024 and the section 264 revisional order dated 27.11.2025, and remitted the matter to the CPC/authority to re-examine the return for AY 2023-24 after considering the college's explanation regarding the section 10(23C)(iiiab) entry.

Source: [Page 4 of 4 \(Paragraphs 7-8\) \(20260219_ODHCo10087692026.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Kendrapara College); section 143(1) intimation dated 23.12.2024 and section 264 order dated 27.11.2025 set aside and remitted.

Source: [Page 4 of 4 \(Paragraphs 7-8\) \(20260219_ODHCo10087692026.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Two key principles emerge: (1) CPC cannot pass a section 143(1) intimation before the expiry of the 30-day notice period stipulated under the first/second proviso to section 143(1)(a); and (2) Goetze (India) Ltd. does not bar the Commissioner under section 264 from rectifying an inadvertent 'o' entry in ITR-7 where section 10(23C)(iiiab) eligibility was already declared in the return.

Source: [Full judgment PDF \(4 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260219_ODHC010087692026.pdf\)](#)

Reviewed from the complete 4-page official High Court judgment PDF (20260219_ODHC010087692026.pdf, SHA-256: 817dc46dde316a9f99134b4af3e9dfo42f292faboeb6d4b71acd7c7de6c4b6do).

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 (4 physical pages, 205,303 bytes, SHA-256:

817dc46dde316a9f99134b4af3e9dfo42f292faboeb6d4b71acd7c7de6c4b6do). Cloud Google Drive File ID:

18wHVyzomBgf8GzUgRqnWq7fbaSKoNVHm

(<https://drive.google.com/file/d/18wHVyzomBgf8GzUgRqnWq7fbaSKoNVHm/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

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible.

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