IN THE HIGH COURT OF ORISSA AT CUTTACK
WP(C) No.4281 of 2026

Brahmani College .... ***Petitioner***

Mr. Sidharth Shankar Padhy, Advocate

-versus-

Commissioner of Income Tax (Exemption) and another .... ***Opposite parties***

Mr. Subash Chandra Mohanty, Senior Standing Counsel for Income Tax Department

CORAM:
THE HON'BLE THE CHIEF JUSTICE
AND
THE HON'BLE MR. JUSTICE MURAHARI SRI RAMAN

ORDER

Order No. **19.02.2026**

01. ***1.*** The petitioner in the return claimed exemption under Section 10(23C) (iiiab) of the Income Tax Act, 1961 (for short, "the Act").

2. Learned counsel appearing for the petitioner submitted that though in the relevant column of the return pertaining to the assessment year 2023-24 such exemption has been claimed and evidence was uploaded, due to inadvertence in Part-2b "0" has been placed.

2.1. He submitted that an intimation under Section 143(1) of the Act *vide* order dated 23rd December, 2024 is communicated by the Centralized Processing Centre (CPC), Income Tax Department refusing to allow such claim and determined the huge demand against the petitioner.

2.2. Aggrieved by the said order, the petitioner preferred revision under Section 264 of the Act before the Commissioner of Income Tax (Exemption), Hyderabad on 21st January, 2025, which

came to be rejected *vide* order dated 27th November, 2025 on an erroneous approach by applying the ratio laid down in *Goetze (India) Ltd. Vs. CIT [2006] 284 ITR 323 (SC).*

2.3. Learned counsel submitted that the petitioner, in fact claimed exemption under Section 10(23C)(iiiab) of the Act by furnishing details at relevant column, but in one of the columns *i.e.,* Part-2B(2b), due to inadvertence "0" was placed. Such fact has not been appreciated in its proper perspective by the Commissioner of Income Tax (Exemption), Hyderabad. He submitted that it is not a case that no claim for exemption was made under said provision and evidence for such claim was not adduced.

2.4. Having submitted so, learned counsel for the petitioner brought to our notice a communication dated 29th November, 2024 issued from the Department seeking information/clarification on the data in the return filed, wherein the following is directed:-

> *"Please note that your response should be provided within 30 days of receipt of this intimation."*

2.5. He submitted that before lapse of said period as stipulated for filing response, the Centralized Processing Centre has issued intimation under Section 143(1) of the Act by order dated 23rd December, 2024, thereby there was violation of principles of natural justice.

3. Learned Senior Standing Counsel appearing for the Income Tax Department resisting the contention of the learned counsel for the petitioner, submitted that since the petitioner has not claimed the exemption under Section 10(23C)(iiiab) of the Act in the return, the Revisional Authority has rightfully concluded that in absence of revised return, no relief could be granted to the

petitioner; as such the writ petition is liable to be dismissed without interference.

4. Heard learned counsel for the petitioner and learned Senior Standing Counsel appearing for the Income Tax Department.

5. Perusal of papers enclosed with the writ petition, it is discernable that the petitioner in fact has claimed exemption under Section 10(23C)(iiiab) of the Act which is eminent on scrutiny of serial no.A17 of the return in Form ITR7, but due to human error in feeding the data at Part-2B(2b), "0" has been placed.

5.1. On bare reading of order dated 27th November, 2025 passed under Section 264 of the Act by the Commissioner of Income Tax (Exemption), Hyderabad, it is noticed that the said authority has proceeded as if the petitioner has not at all claimed such exemption in its return. While examining the veracity of the contention of the learned counsel for the petitioner it could be ascertained that the Centralized Processing Centre sought for information/clarification on the data in the return filed is dated 29th November, 2024, and thirty days' time was allowed to clarify the position.

5.2. We find force in the submission of the learned counsel for the petitioner that before lapse of thirty days from 29th November, 2024, intimation under Section 143 *vide* order dated 23rd December, 2024 has been passed. It is, thus, manifest the petitioner was deprived of clarifying the position with respect to claim of exemption under Section 10(23C)(iiiab) of the Act while furnishing returns for the assessment year 2023-24. Therefore, this Court is of the considered view that there has been flagrant violation of principles of natural justice, which warrants

interference in the matter. The Commissioner of Income Tax (Exemption), Hyderabad *vide* order dated 27th November, 2025 failed to delve deep into the matter to perceive such lapse on the part of the Centralized Processing Centre.

5.3. As has already been discussed above, the Centralized Processing Centre having allowed thirty days period from 29th November, 2024 to furnish explanation, intimation under Section 143(1) of the Act could not have been passed on 23rd December, 2024. This Court is inclined to set aside the order dated 23rd December, 2024. Having done so, it is deemed that the matter be remitted to the Centralized Processing Centre-opposite party no.2 to consider the explanation of the petitioner afresh by affording adequate opportunity to substantiate its claim for exemption under Section 10(23C)(iiiab) of the Act.

6. With the aforesaid observation and direction, the writ petition stands disposed of. As a result of disposal of the writ petition, pending Interlocutory Application(s), if any, shall stand disposed of.

(Harish Tandon)
Chief Justice

(M.S. Raman)
Judge

MRS/Laxmikant

Signature Not Verified
Digitally Signed
Signed by: LAXMIKANT MOHAPATRA
Designation: Senior Stenographer
Reason: Authentication
Location: High Court of Orissa, Cuttack
Date: 24-Feb-2026 11:22:07