

**आयकर अपीलीय अधिकरण, रायपुर न्यायपीठ, रायपुर**  
IN THE INCOME TAX APPELLATE TRIBUNAL RAIPUR BENCH, RAIPUR  
श्री रविश सूद, न्यायिक सदस्य एवं श्री अरुण खोड़पिया, लेखा सदस्य के समक्ष ।  
BEFORE SHRI RAVISH SOOD, JM & SHRI ARUN KHODPIA, AM  
आयकर अपील सं./ITA No.124/RPR/2019

(निर्धारण वर्ष / Assessment Year :2019-2020)

Chhattisgarh Rajya Open School, Madhyamik Siksha Mandal, Pension Bada, Raipur	Vs	CIT(Exemptions), Bhopal
PAN No. :AAAGC 0179 F		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)

निर्धारिती की ओर से /Assessee by	:	Shri S.R.Rao, Advocate & Nilesh Jain, CA
राजस्व की ओर से /Revenue by	:	Shri Debashish Lahiri, CIT-DR
सुनवाई की तारीख / Date of Hearing	:	02/01/2023
घोषणा की तारीख/Date of Pronouncement	:	02/01/2023

**आदेश / O R D E R**

**Per Arun Khodpia, AM:**

This appeal is filed by the assessee against the order passed by the Id. CIT(E), Bhopal, dated 29.04.2019 for the assessment year 2019-2020, on the following grounds :-

- 1. In facts and circumstances of the case and in law the Id. Commissioner of Income-tax Exemptions, Bhopal is not justified in rejecting the application seeking registration u/s.12AA of the Income-tax Act, 1961 and refusing registration sought u/s 12AA of the Act ignoring the fact that the appellant is engaged in carrying out the charitable activity as per the objects of the institution.*
- 2. In the facts and circumstances of the case and in law the Id. Commissioner of Income-tax, Exemption, Bhopal has erred in refusing to register the appellant institution u/s. 12AA of the Income-tax Act, 1961 without giving proper and reasonable opportunity to make compliance, which was sought within one day, and the impugned order is against statutory provisions and the principles of natural justice and illegal.*
- 3. The impugned order is bad in law and on facts.*
- 4. The appellant reserves the right to add, amend, alter, omit or withdraw all or any of the grounds of appeal.*

2. Brief facts of the case are that the assessee is a society registered with the Registrar of Chhattisgarh Society Registration on 09.04.2008 and its main activity is arranging open school examination for class 10<sup>th</sup> and Class 12<sup>th</sup> and distant education. The assessee society filed an application for registration u/s.12AA of the Act in Form No.10A on 31.10.2018. The Id. CIT(E) after verifying the documents provided by the assessee-society found that the assessee society is generating substantial surpluses. On examination of accounts of the society, the CIT(E) also found that the assessee-society has given substantial amount of loans and advances. Therefore, the Id. CIT(E) observed that the assessee society is not carrying out any charitable activity for public at large rather it is generating huge surplus by carrying out its activities by running the institution in commercial terms. Accordingly, the Id. CIT(E) rejected the registration u/s.12A of the Act filed by the assessee-society.

3. Now, the assessee is in further appeal against order of CIT(E).

4 Ld. AR before us submitted that the CIT(E) is not justified in rejecting the application seeking registration u/s.12AA of the Income-tax Act, 1961 and refusing registration sought u/s 12AA of the Act ignoring the fact that the assessee is engaged in carrying out the charitable activity as per the objects of the institution. It was also submitted by the Id. AR that the Id. CIT(E) has not given proper and reasonable opportunity to make compliance, which was sought within two days, and the impugned order is against statutory provisions without appreciating the facts which the assessee trust could have produced if the reasonable time was made

available to it. It was submitted that the act of the Ld CIT(E) was against the principles of natural justice, illegal and, therefore, the impugned order deserves to be dismissed.

5. On the other hand, Id. CIT-DR relied on the order of Id. CIT(E).

6. We have heard the rival submissions and perused the record carefully. On perusal of the impugned order, we found that the CIT(E) has provided only one opportunity to the assessee to provide the details as sought for, for which, as per the Id. AR, the assessee could not submit the details within the time. Looking to the above facts and circumstances of the case and in the interest of principle of natural justice, as fairly admitted by both the sides, we set aside the issue to the file of CIT(E) to readjudicate the same after providing adequate opportunity of hearing to the assessee. The assessee is also directed to produce the relevant documents as sought for by the Id. CIT(E) and cooperate with the Id. CIT(E) in early disposal of the appeal

7. In the result, the appeal of assessee is allowed for statistical purposes.

Order pronounced in the open court on 02/01/2023.

**Sd/-**  
**(RAVISH SOOD)**

न्यायिक सदस्य / JUDICIAL MEMBER

**Sd/-**  
**(ARUN KHODPIA)**

लेखा सदस्य / ACCOUNTANT MEMBER

रायपुर/Raipur; दिनांक Dated 02/01/2023

*Prakash Kumar Mishra, Sr.P.S.(on tour)*

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant-
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर/ DR, ITAT,  
Raipur
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

**(Assistant Registrar)**

आयकर अपीलीय अधिकरण, रायपुर/ITAT, Raipur