

IN THE INCOME TAX APPELLATE TRIBUNAL BENCH-RANCHI
VIRTUAL HEARING AT KOLKATA

**Before Shri Sonjoy Sarma, Judicial Member
and Shri Ratnesh Nandan Sahay, Accountant Member**

I.T.A. No.308/Ran/2024

XLRI Alumuni AssociationAppellant
XLRI Campus, C H Area East,
Jamshedpur, Jharkhand – 831001.
[PAN: AAAAX0042N]

vs.

ITO (Exemption), Jamshedpur.....Respondent

Appearances by:

Shri Devesh Poddar, AR & R. R. Mittal, AR, appeared on behalf of the appellant.
Shri Kumar Pranab, CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : September 04, 2025

Date of pronouncing the order : October 27, 2025

ORDER

Per Sonjoy Sarma, Judicial Member:

This appeal by the assessee is directed against the order of the CIT(Exemption), Patna [“CIT(Exemption)”] dated 25.05.2024 rejecting the application in Form 10AB for registration u/s 12A of the Income-tax Act, 1961 (the “Act”).

2. Brief Facts of the Case are that the assessee filed an application in Form No. 10AB seeking regular registration under clause (iii) of sub-section (1)(ac) of Section 12A, read with Section 12AB(1)(b) of the Act. The said application was filed for continuation of registration previously granted under Section 12A(1)(ac)(vi), vide Form 10AC dated 23.09.2021, for the assessment years 2022–23 to 2024–25.

3. During the course of proceedings under Section 12AB, the learned CIT (Exemption) examined the objects and genuineness of the activities of the applicant institution, and to verify compliance with statutory requirements, called upon the assessee to furnish the following details: Note on activities undertaken during financial years 2020–21, 2021–22,

and 2022–23, Copies of annual accounts for the said periods and Bank statements of the institution. In response, the assessee submitted a written reply along with certain supporting documents. However, upon verification, the learned CIT (Exemption) observed that the constitution of the applicant institution contained certain clauses and provisions that were inconsistent with the conditions prescribed under the Act. He concluded that the institution could not be considered as established wholly for charitable purposes within the meaning of Sections 11 and 2(15) of the Act. Accordingly, the application filed in Form 10AB for grant of regular registration was rejected, and the provisional registration earlier granted under Section 12A(1)(ac)(vi) vide Form 10AC dated 23.09.2021 was cancelled.

4. Aggrieved by the order of the learned CIT (Exemption), the assessee has preferred the present appeal before the Tribunal, raising various grounds. The primary contention of the assessee is that the learned CIT (Exemption) has rejected the application in a summary manner without affording proper opportunity of being heard and without appreciating the documents and explanations submitted by the assessee during the registration proceedings.

5. The learned Departmental Representative, on the other hand, did not raise any serious objection if the matter is restored to the file of the CIT (Exemption) for fresh consideration.

6. We have heard the rival submissions and perused the material available on record. It is evident that the CIT (Exemption) rejected the application without adequately examining the genuineness of activities and charitable nature of the institution in light of the documents submitted. It is also observed that the assessee could not properly explain certain issues during the proceedings before the CIT (Exemption), possibly due to lack of sufficient opportunity. In our considered opinion, in the interest of justice and fair play, it would be

appropriate to restore the matter to the file of the learned CIT (Exemption), Patna, for fresh adjudication of the application filed under Section 12A(1)(ac)(iii) read with Section 12AB(1)(b) of the Act. The CIT (Exemption) shall examine the documents, activities, and objects of the assessee institution afresh and pass a reasoned order in accordance with law after affording adequate opportunity of being heard to the assessee. The assessee is directed to extend full cooperation and to submit all necessary details and evidence in support of its claim during the proceedings before the CIT (Exemption).

7. In the result, the appeal of the assessee is allowed for statistical purposes, with a direction to the learned CIT (Exemption) to decide the issue afresh in accordance with law after providing due opportunity of hearing to the assessee.

Kolkata, the 27th October, 2025.

Sd/-
[Ratnesh Nandan Sahay]
Accountant Member

Sd/-
[Sonjoy Sarma]
Judicial Member

Dated: 27.10.2025.

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, Kolkata Benches