

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAIPUR BENCH "SMC", RAIPUR**

**श्री पार्थ सारथी चौधरी, न्यायिक सदस्य के समक्ष  
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER**

**आयकर अपील सं./ITA No.594/RPR/2025**

**निर्धारण वर्ष / Assessment Year : 2016-17**

Balaji Education Development Society  
EWS-306, Vaishali Nagar,  
Supela, Bhilai-490 023 (C.G.)  
PAN: AACTB1801E

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Income Tax Officer (Exemption)  
Ward-2, Raipur (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri Ravi Agrawal, CA  
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 02.02.2026

घोषणा की तारीख / Date of Pronouncement : 04.02.2026

**आदेश / ORDER****PER PARTHA SARATHI CHAUDHURY, JM**

The present appeal preferred by the assessee emanates from the order of the Ld.CIT(Appeals)/NFAC, dated 10.09.2025 for the assessment year 2016-17 as per the grounds of appeal on record.

2. The Ld. Counsel for the assessee at the time of hearing has assailed both legal ground as well as grounds on merits. He further submitted that if the said legal ground is answered in affirmative, then all other grounds including grounds on merits shall become academic only. In this regard, it was submitted by him that in the reassessment proceedings, the reasons recorded for reopening and the very materials, based on which, the A.O had found satisfaction that income chargeable to tax has escaped assessment, those materials were never shared with the assessee and in effect, there is violation of the principles of natural justice, since those materials/documents were used by the Revenue against the assessee without providing any opportunity to the assessee to file its response.

3. Per contra, the Ld. Sr. DR submitted a report from the A.O and contended that the reasons for reopening were submitted to the assessee, however, the Department was not obligated to supply all the materials/

documents which goes on to form satisfaction by the A.O for reopening the assessment.

4. I have carefully considered the submissions of the parties herein, analyzed the facts and circumstances of the case and the judicial pronouncements placed on record. This is a case where, the reasons for reopening were supplied to the assessee, however, in that said reasons there are reference and mention of various other documents/evidences, based on which, the A.O had formed satisfaction that income chargeable to tax has escaped assessment pertaining to the assessee and thereby the A.O resorted to Sections 147/148 of the Income Tax Act, 1961 (for short 'the Act'). That while doing so, the Revenue has only supplied the copy of reasons without sharing or supplying other materials/evidences which were equally essential for forming satisfaction in the reasons recorded, those were never provided to the assessee for its response. The whole ethos emanating from the judgment of the **Hon'ble Apex Court** in the case of **GKN Drive Shafts (India) Ltd. Vs. ITO, 259 ITR 19 (SC)** is that principles of natural justice always has to be upheld by the quasi-judicial authority and in terms with the taxation legislation namely the Income Tax Act, the Hon'ble Apex Court has clearly specified that the reasons recorded has to be supplied to the assessee, it also includes that the very materials, based on which, satisfaction has been arrived at by the A.O u/ss. 147/148 of the Act, those materials also should mandatorily be

given to the assessee for its response. There cannot be any quasi-judicial action against tax payer assessee without providing reasonable opportunity to it to respond to the materials/documents, based on which, action is carried out by the Department against such assessee.

5. At this stage, I find that ITAT, “SMC” Bench, Raipur has dealt with the similar issue in the cases of **Leeladhar Chandrakar Vs. ITO, Ward-1(3), Bhilai & Others, ITA Nos. 442, 443 and 444/RPR/2025, A.Y.2011-12 & 2012-13, dated 07.08.2025**. The relevant observation of the Bench are culled out as follows:

“11. In the present case, admittedly the ITS details which formed the basis for recording reasons for initiation of reassessment proceedings u/s. 147 of the Act has not been provided to the assessee. It is settled legal position that where the materials referred to in the “reasons to believe” by the A.O was not supplied to the assessee for his response, the entire proceedings for reopening of the assessment gets vitiated as there is no reasonable opportunity provided to the assessee therefore effecting the base of principles of natural justice in income tax proceedings. In this regard, I refer to the judgment of the **Hon’ble High Court of Rajasthan, Jodhpur Bench** in the case of **Micro Marbles Private Limited Vs. Office of the Income Tax Officer (2023) 475 ITR 569 (Raj.)** wherein on the similar issue the Hon’ble High Court has held and observed as follows:

“31. Thus, in the light of the decisions of the Delhi and the Bombay High Courts, as referred to above, the non-supply of the material, especially the documents of entry in the books of M/s Sanmatri Gems Pvt. Ltd. and the statement of Deepak Jain recorded under Section 132 (4) of the Act, is sufficient to vitiate the proceedings.

32. It may be noted that the statement recorded under Section 132 (4) of the Act can be used in evidence for

making the assessment only if such statement is made in context with other evidence, or material discovered during search. A statement of a person, which is not relatable to any incriminating document or material found during search and seizure operation cannot, by itself, trigger the assessment.

33. In view of the aforesaid facts and circumstances, we are of the opinion that shorn of all other technical aspects which may have been raised before us, the very fact that the material referred to in the "reasons to believe" was not supplied to the petitioner, the entire proceedings for the reopening of the assessment and leading to the consequential assessment stand vitiated in law."

12. Further, the **Hon'ble Bombay High Court** in the case of **Tata Capital Financial Services Limited Vs. Assistant Commissioner of Income Tax Circle & Ors., while deciding Writ Petition No.546/2022 vide judgment and order dated 15.02.2022**, had directed the Revenue to adhere to certain guidelines in reopening the assessment proceedings. It emphasized that the Assessing Officer shall not merely state the reasons to believe in the letter addressed to the assessee, but if the reasons make reference to any other document or a letter or a report, such document or letter or report should be enclosed to the reasons. Therefore, in view of the aforesaid decision also, it is mandatory on the part of the Assessing Officer to supply the assessee with all relevant documents, referred to in the reasons to believe and the reassessment order so that the assessee may file proper objections opposing such reopening of the assessment.

13. Considering the facts and circumstances involved in the present case and on examination of the afore-stated judicial pronouncements to the facts of the assessee's case, I hold that the reopening of assessment by the A.O u/s. 147/148 of the Act without providing materials/documents forming "reasons to believe" for such reopening, is bad in law, arbitrary and void ab initio, hence quashed.

14. Since the reassessment is quashed thereafter all other proceedings becomes non-est in the eyes of law. As the legal issue has been answered in favour of the assessee therefore the grounds on merits becomes academic only.

15. As per the aforesaid terms the grounds of appeal raised by the assessee stands allowed.

16. In the result, appeal of the assessee in ITA No.442/RPR/2025 for A.Y.2011-12 is allowed.”

6. In the aforesaid order, the Tribunal has referred to the judgment of the **Hon'ble High Court of Rajasthan Jodhpur Bench** in the case of **Micro Marbles Private Limited Vs. Office of the Income Tax Officer (2023) 475 ITR 569 (Raj.)**, wherein it was held that since the material referred to in the "reasons to believe" was not supplied to the petitioner, the entire proceedings for the reopening of the assessment and leading to the consequential assessment stand vitiated in law. Further, the Hon'ble High Court of Bombay in the case of **Tata Capital Financial Services Limited Vs. Assistant Commissioner of Income Tax Circle & Ors., while deciding Writ Petition No.546/2022 vide judgment and order dated 15.02.2022**, had directed the Revenue to adhere to certain guidelines in reopening the assessment proceedings. It emphasized that the Assessing Officer shall not merely state the reasons to believe in the letter addressed to the assessee, but if the reasons make reference to any other document or a letter or a report, such document or letter or report should be enclosed with the reasons. Therefore, in view of the aforesaid decisions also, it is mandatory on the part of the Assessing Officer to supply the assessee with full relevant documents, referred to in the reasons to believe so that the assessee may file proper objections opposing such reopening of the assessment. All these decisions are in continuance

with the directions of the Hon'ble Apex Court that the A.O is bound to furnish reasons recorded to the assessee within reasonable time.

7. In the present case before me, there was survey proceedings in the premises of M/s.Bhilai Agrasen Educational Society which is the sister concern of the assessee. The reasons recorded states that during survey proceedings various incriminating documents were found and impounded which were related to Balaji Education Development Society i.e. the assessee herein. However, what were those incriminating documents, they were never shared with the assessee for its response even though those were the same materials which formed the basis for satisfaction for the A.O to resort to Sections 147/148 of the Act. That in absence of those relevant materials/documents being supplied to the assessee for its response and in view of the aforesaid judicial pronouncements, I hold that the reopening of assessment by the A.O forming "reasons to believe" for such reopening is bad in law, arbitrary and void ab initio, hence quashed.

8. Since the reassessment is quashed thereafter all other proceedings does not have any legs to stand as per law. Since this legal issue has been answered in favour of the assessee therefore the grounds on merits becomes academic only.

9. As per the aforesaid terms the grounds of appeal raised by the assessee stands allowed.

10. In the result, appeal of the assessee is allowed.

Order pronounced in open court on 04<sup>th</sup> day of February, 2026.

Sd/-  
**(PARTHA SARATHI CHAUDHURY)**  
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 04<sup>th</sup> February, 2026.

SB, Sr. PS

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच,  
रायपुर / DR, ITAT, "SMC" Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur