

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, CHENNAI**

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.:376 & 377/Chny/2025

M/s. Agastya Gurukulam Public Charitable Trust, Origin Towers, 11-13, Type -2, Dr. VSI Estate, Thiruvanmiyur, Chennai – 600 041.	vs.	The Commissioner of Income Tax, Exemptions, Chennai.
[PAN:AAITA-2106-R] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. R. Viswanathan, C.A.
प्रत्यर्थी की ओर से/Respondent by : Ms. E. Pavuna Sundari, C.I.T.

सुनवाई की तारीख/Date of Hearing : 07.01.2026
घोषणा की तारीख/Date of Pronouncement : 05.02.2026

आदेश / O R D E R

PER S. R. RAGHUNATHA, AM:

The present appeals are filed by the assessee against the orders of the learned Commissioner of Income Tax (Exemption) dated 30.12.2024 (hereinafter referred to as the "Id.CIT(E)").

2. The assessee is a public charitable trust with the objects of imparting education. The assessee filed applications dated 17.06.2024 and 18.06.2024 vide Form 10AB seeking registration u/s.12AB and approval u/s.80G(5) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") respectively. Thereafter, the Id.CIT(E), issued notices upon the assessee, who filed detailed

replies along with relevant documents as required by the Id.CIT(E). Subsequently, the Id.CIT(E) rejected both the registration u/s.12AB and approval u/s.80G(5) of the Act by passing separate orders dated 30.12.2024.

3. Aggrieved by the above order of the Id.CIT(E), the assessee preferred an appeal before us.

4. Brief facts of the case emanating from the records are that the assessee is a public charitable trust with objects of imparting education. The trust was registered on 06.11.2020 wherein the objects of the trust are provided in detail. The assessee filed applications dated 17.06.2024 and 18.06.2024 vide Form 10AB seeking registration u/s.12AB and approval u/s.80G(5) of the Act respectively. In the said Form, the assessee has stated that the objects of the trust are '*education*' and '*relief to poor*'. Thereafter, the Id.CIT(E) issued a notice dated 04.11.2024 seeking information such as genuineness of activities, utilization of funds, compliance with the Act and other laws. In response to this, the assessee filed a detailed reply and enclosed photos of the premises of the educational institution of the assessee, trust deed, Audited financials. The Id.CIT(E) issued another notice upon the assessee asking assessee to furnish details regarding educational activity and details of recognition of the same. The assessee filed its reply for the said notice, stated that they are an institution dedicated in providing decolonised Indian education and impart education with aims to achieve fluency in Sanskrit and more with syllabus based on NCERT programs which results in students of the assessee, after passing out their institution, getting admitted into CBSE or ISE board. With regard to recognition, the assessee submitted that it has a Memorandum of Understanding (hereafter referred to as "MoU") with National Institute of Open Schooling (hereafter referred to as "NIOS") dated 28.11.2024 and a copy of the same was submitted by the assessee. The assessee also submitted documents for curriculum, time table, subjects taught, Transfer certificate and explained that the students who leave this institution get admitted into other schools/institutions.

5. Thereafter, the Id.CIT(E) rejected the applications of the assessee by way of order dated 30.12.2024. In his order rejecting the application, the Id.CIT(E) made the following observations that:

- (a) *Receipt from educational activity were applied towards “camp expenses”, “salary”, “professional charges”, “rent” etc and not applied towards charity as envisaged u/s.2(15) of the Act.*
- (b) *The activities of the trust cannot be held ‘education’ as the trust has not imparted education in a systematic manner and that, under the Act, the scope of the word ‘education’ is very narrow.*
- (c) *The trust lacks valid recognition from any authority.*
- (d) *The scholarships and discounts stood at Nil for the financial year 2023-24.*
- (e) *The trust has not carried out any activities in relation to ‘relief to poor’ as per CBDT circular no.11/2008.*

6. In making the above-observations, the Id.CIT(E) cited the following cases in support of his rejection:

1. *Sole Trustee, LokaShikshana Trust V. CIT [1975] 101 ITR – 234.*
2. *In Re Trustees of Tribune [1939] 7 ITR 412 (PC).*
3. *New Noble Educational Society V. CCIT [2022] 143 taxmann.com 276.*
4. *TMA Pai Foundation V. State of Karnataka [2002] 8 SCC 481.*
5. *Raja Sir Annamalai Chettiar Foundation V. CCIT [2020] taxmann.com 128.*

7. Before us, the Id.AR for assessee argued that the Id.CIT(E)’s rejection orders are without any specific finding for the rejection on the issue of genuineness of the assessee’s activities as a trust. It was also argued that the assessee is registered for recognition with accredited educational body, NIOS and the recognition of NIOS is based on the systematic curriculum as per syllabus framed by NCERT. The Id.AR drew our attention to the accreditation granted by the NIOS to the assessee dated 28.11.2024 (Page No.36 to 46 of the paper book). Further, the Id.AR also shown us that the curriculum and examinations conducted by the NIOS is recognised is on par with the CBSE conducted courses. On the issue of application of income and scholarships, the Id.AR for assessee submitted that in the earlier years the income was applied

to charitable activities and that scholarships were given in earlier years too. In support of their arguments, the Id.AR counsel for assessee filed a paperbook containing the trust deed, audited financials for the past 4 years, reply letters (dated 07.11.2024, 11.12.2024, 18.12.2024) along with the documents attached for each letter, Details of recognition of NIOS by Ministry of Human Resources). On the other hand, the Id.DR supported the order of the Id.CIT(E). The Id.AR for assessee further submitted before us, that the recognition from NIOS, records of formal & systematic education such as Transfer certificate, NCERT-based syllabus, time table etc. must also be considered for the purpose of grant of registration u/s.12AB and section 80G of the Act. They also contended that the precedents relied upon by the Id.CIT(E) are distinguishable to the facts of the present case since the assessee has formal recognition from NIOS and the trust deed includes objects relating to education for below-poverty line, underprivileged student, which was also overlooked. In support of their arguments, the Id.AR for assessee relied on *CIT(E) V. Unique Educational Society 168 taxmann.com 448*.

8. Per contra, the Id.DR, supported the decision of the Id.CIT(E) and argued that the institution lacks systematic education and valid recognition and hence prayed for confirming the order of the Id.CIT(E).

9. We have heard rival submissions and perused the materials before us. The question arising here is whether, the assessee is eligible for registration u/s.12AB and u/s.80G of the Act and whether the assessee is providing formal, systematic education with a valid recognition. The Id.AR has consistently pointed out that the assessee has formal and valid recognition from NIOS.

10. It is admitted facts that the assessee is a public charitable trust with objects of imparting education and relief to poor. The assessee has applied for registration u/s.12AB and approval u/s.80G(5) of the Act vide Form 10AB. The

Id.CIT(E) rejected the said applications by way of orders dated 30.12.2024 on various grounds as captioned above.

11. On perusal of the records submitted by the Id.AR we find that the National Institute of Open Schooling (NIOS), formerly known as the National Open School, was established in the year 1989. The NIOS is an autonomous organisation set up by the Ministry of Human Resource Development, Government of India. Through the notification dated 11.12.2002, the ministry notified that the courses of NIOS are to be treated in equivalence of other boards and that the NIOS is also vested with power to conduct Secondary and Sr. Secondary levels of examinations. It is pertinent to note that students who have completed their schooling by way of NIOS are also eligible to be admitted into colleges including medical colleges. As such, NIOS also can accredit an institution so as to enable such institutions to teach and educate children. For any institution to obtain such accreditation, they have to fulfil certain norms and criteria. In the case of the assessee, which has obtained accreditation for Open Basic Education Programme (OBC programme) on 28.11.2024, they also have fulfilled the criteria required for such accreditation such as, trust being registered and carrying out its objects for at least 3 years, having libraries, trained teachers, etc.

12. We also note that in the MoU signed between the NIOS and the assessee, the assessee is to follow the academic calendar as prescribed by the NIOS and the syllabus is also to be prescribed by the NIOS, which is based on the NCERT-syllabus. The MoU also contains terms regarding the conduction of exams, duration of classes, etc.

13. Therefore, we are of considered view that the assessee is having formal and systematic education in place as mandated by the MoU with NIOS and that NIOS is an autonomous organisation set up Government of India and is authorised to give accreditation to institutions, which makes the accreditation

obtained by the assessee for OBE programme a valid one. Therefore, view of the Id.CIT(E) cannot be accepted that the assessee does not conduct systematic formal education in line with their objects of the trust.

14. Accordingly, we are of the considered view that the assessee is engaged in providing formal and systematic education with a valid recognition from a government body and therefore, the activity of education as carried out by the assessee would fall within the definition of "education" u/s.2(15) of the Act and the assessee is eligible for registration u/s.12AB of the Act and u/s.80G of the Act. We accordingly direct the Id.CIT(E) to grant the registration u/s.12AB and u/s.80G of the Act.

15. In this result, both the appeals of the assessee are allowed.

Order pronounced in the open court on 05th February, 2026 at Chennai.

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/**Judicial Member**

Sd/-

(एस. आर. रघुनाथा)

(S. R. RAGHUNATHA)

लेखा सदस्य/**Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated, the 05th February, 2026

SP

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF