

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम
IN THE INCOME TAX APPELLATE TRIBUNAL,
VISA KHAPATNAM BENCH, VISA KHAPATNAM

श्री के नरसिम्हा चारी, न्यायिक सदस्य एवं श्री एस बालाकृष्णन, लेखा सदस्य के समक्ष
BEFORE SHRI K NARASIMHA CHARY, HON'BLE JUDICIAL MEMBER &
SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER

(Hybrid Hearing)

आयकर अपील सं./ I.T.A. 522/Viz/2024
(निर्धारण वर्ष / Assessment Year :--)

Royal Deeds Charitable Trust, Vijayawada. PAN:AAETR8247G (अपीलार्थी/ Appellant)	Vs.	Commissioner of Income Tax (Exemption), Hyderabad-500004. (प्रत्यर्थी/ Respondent)
अपीलार्थी की ओर से/ Assessee by	:	Smt. Manasa Meenakshi DVN
प्रत्यर्थी की ओर से / Revenue by	:	Dr. Satyasai Rath, CIT-DR

सुनवाई की तारीख / Date of Hearing	:	20/02/2025
घोषणा की तारीख/Date of Pronouncement	:	07/03/2025

O R D E R

PER S. BALAKRISHNAN, Accountant Member :

This appeal filed by the assessee is against the order of the Learned Commissioner of Income Tax (Exemption), Hyderabad ("Ld.CIT(Exemption)") vide DIN & Order No. ITBA/EXM/F/EXM45/2024-25/1069908814(1), dated 24/10/2024.

2. Briefly stated the facts of the case are that the assessee has filed an e-application in Form-10AB of the Act seeking registration U/s. 80G of

the Income Tax Act, 1961 (“the Act”). Thereafter, notices dated 08/06/2024 and 16/08/2024 were issued to the assessee in respect of proceedings U/s. 80G(5)(iii) of the Act to produce the copy of Memorandum of Association / Trust Deed for verification and to furnish a detailed reply on the specific information called for in the said notice. In response to the same, the assessee has submitted the information. However, the Ld. CIT (Exemption) opined that the information submitted by the assessee is partial information only and therefore, another notice dated 01/10/2024 was issued to the assessee and sought for other information / details along with documentary evidence. On a perusal of the information submitted by the assessee, the Ld. CIT (Exemption) observed that *‘majority of the activities carried out by the Trust are commercial in nature which is in violation of the provisions of section 12AB and 80G of the Act’*. Thus, the Ld. CIT (Exemption) considering the assessee’s non-submission of mandatory information, rejected the assessee’s application in Form-10AB for registration U/s. 80G of the Act vide order dated 24/10/2024. Aggrieved by the order of the Ld. CIT (Exemption), the assessee preferred the present appeal before the Tribunal by raising the following grounds of appeal:

- “1. *For that the order of the CIT (Exemptions) passed U/s. 80G(5) is contrary to law, facts and circumstances of the case and is opposed to the principles of natural justice, equity and fair play.*
2. *For that the CIT (Exemptions) on facts and in law, erred in passing the order dated 24/10/2024 refusing the approval U/s. 80G(5) of the Act.*

3. *For that the CIT (Exemptions) failed to appreciate that the appellant is eligible for the approval U/s. 80G(5) of the Act.*
4. *For that the CIT (Exemptions) failed to appreciate that the appellant had satisfied all the conditions for approval U/s. 80G(5) of the Act.”*

3. At the outset, the Ld. AR submitted that the Ld. CIT (Exemption) rejected the assessee's application for registration U/s. 80G of the Act. The Ld. AR further submitted that the assessee has replied to the notices issued by filing all the documents required by the Ld. CIT(Exemption) for the purpose of granting registration which is evident from the paper book filed before the Ld. CIT (Exemption). However, the Ld. CIT (Exemption) has not examined the documents submitted and denied the assessee's application for registration 80G of the Act. Therefore, the Ld. AR pleaded to remit the matter back to the file of the Ld. CIT (Exemptions) to decide the issue of assessee's claim of registration U/s. 80G of the Act afresh.

4. On the other hand, the Ld. DR strongly relied on the order of the Ld. CIT (Exemption) and supported his decision.

5. We have heard both the sides and perused the material available on record as well as the orders of the Ld. Revenue Authorities. The Ld.CIT (Exemption) has rejected the assessee's application for registration U/s. 80G of the Act. On a perusal of the order of the Ld. CIT (Exemption), we find that though in para-3 of the Ld. CIT (Exemption) order, it was mentioned that the activities carried on by the assessee-trust are commercial in nature, the Ld. CIT (Exemption) has not specified

what are the commercial activities and how the assessee's activities can be deciphered as commercial in nature. Before us, the assessee has also submitted the documents demonstrating the expenditure incurred by the assessee a copy of which was provided before the Ld. CIT (Exemption). However, in our view, the Ld. CIT (Exemption) did not consider the same and has not applied his mind while considering the documents submitted by the assessee. Under these circumstances, we direct the Ld. CIT (Exemption) to examine the documents / submissions made by the assessee in detail and accordingly decide the issue of grant of registration U/s. 80G of the Act after affording a reasonable opportunity of being heard to the assessee in accordance with the principles of natural justice. It is ordered accordingly.

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

Pronounced in the open Court on 07th March, 2025.

Sd/-
(श्री के नरसिम्हा चारी)
(K NARASIMHA CHARY)
न्यायिकसदस्य/JUDICIAL MEMBER

Sd/-
(एस बालाकृष्णन)
(S.BALAKRISHNAN)
लेखा सदस्य/ACCOUNTANT MEMBER

Dated :07/03/2025
OKK - SPS

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee – Royal Deeds Charitable Trust, 20-6-3/21, Appala Raju Street, Ayodhya Nagar, Vijayawada, Andhra Pradesh-520003.
2. राजस्व/The Revenue – Commissioner of Income Tax (Exemption), Aayakar Bhawan, Opposite LB Stadium Basheer Bagh, Hyderabad, Telangana – 500004.
3. The Principal Commissioner of Income Tax,
4. आयकर आयुक्त (अपील)/ The Commissioner of Income Tax
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापटणम/ DR, ITAT, Visakhapatnam
6. गार्ड फ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam