

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM

BEFORE

SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER
&
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / ITA No.90/Viz/2025
(निर्धारण वर्ष / Assessment Year: 2024-25)

Andhra Pradesh Capital Region Vs. DCIT Exemption
Development Authority Vijayawada
Vijayawada
[PAN :AAALV0067E]

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri S.Rama Rao, AR
(Hybrid hearing)

राजस्व द्वारा/Revenue by: Dr.Satyasai Rath, CIT-DR

सुनवाई की तारीख/Date of hearing: 20/03/2025

घोषणा की तारीख/Pronouncement on: 20/03/2025

आदेश / ORDER

PER K. NARASIMHA CHARY, J.M:

Aggrieved by the order dated 07/12/2024 passed by the learned Commissioner of Income Tax (Exemption), Hyderabad [learned CIT(E)], in the case of Andhra Pradesh Capital Region Development Authority (“the assessee”) assessee preferred this appeal.

2. At the outset, learned AR submitted that the learned CIT (E) rejected the application of the assessee in form No. 10AB seeking registration under section 12AB of the Income Tax Act, 1961 (for short “the Act”) stating that no substantial activities which are charitable in nature are being carried out by

the assessee, which is in violation of the provisions of the sec. 12 AB of the Act, without specifying any details thereof. The learned AR brought to our notice the statement of income and expenditure for the year ending 31.03.2021 and 31.03.2022, Balance Sheet and Income & Expenditure as on 31.03.2023 and Andhra Pradesh Acts, Ordinances and Regulations etc. Act No.11 of 2014 evidencing the activities of the assessee. Without pointing out which activity of the assessee does not fall in the category of charitable activities, the learned CIT(A) is not justified in rejecting the application for registration under section 12AB of the Act.

3. Learned DR placing heavy reliance on the impugned order and submitted that the learned CIT(E) took a plausible view on a perusal of the submissions made by the assessee that the assessee did not do any considerable activity of charitable in nature.

4. We have gone through the record in the light of the submissions made on either side. It is an undisputed fact that by order dated 21/03/2022, registration under section 12AB of the Act was granted under section 12A(1)(ac)(vi) of the Act, subject to the condition that if it is subsequently found that the activities of the assessee are not genuine or if they are not carried out in accordance with all or any of the conditions subject to which such the registration was granted, there is no compliance of the assessee while meeting any of the conditions mentioned in this registration, the order is liable to be withdrawn by the prescribed authority.

5. The income and expenditure account of the assessee for the years ended with 31/3/2021, 31/3/2022 and 31/3/2023 clearly show that the assessee incurred substantial expenditure as against the grant receivable establish that the assessee did considerable activities during the year. Ld.CIT(E) did not specify any activity that does not fall in the category of charitable activity.

6. In the circumstances, we are of the considered opinion that it is a fit case to set aside the impugned order and restore the issue to the file of the learned CIT(E) with a direction to reconsider the issue in the light of the material and decide as per law. Grounds are answered accordingly.

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

Order pronounced in the open court on this the 20th day of March, 2025.

Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Sd/-
(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 20/03/2025
L.Rama, SPS

Copy forwarded to:

1. M/s Andhra Pradesh Capital Region Development Authority, Office Building, Lenin Centre, Governorpet, Vijayawada
2. The DCIT, Exemptions, Vijayawada
3. The Pr.CIT (Exemptions), Visakhapatnam
4. The DR, ITAT, Visakhapatnam
5. GUARD File

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ITAT, VISAKHAPATNAM