

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM.
(Through Virtual Hearing)

BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA Nos.105 & 106/Viz/2025**

Indian Red Cross Society Guntur District Branch, Guntur. PAN:AABAI2863B	Vs.	Income Tax Officer (Exemption Ward), Guntur.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Smt. A. Aruna, Advocate.	
राजस्व द्वारा/Revenue by::	Dr. Satyasai Rath, CIT-DR	
सुनवाई की तारीख/Date of hearing:	27/03/2025	
घोषणा की तारीख/Pronouncement:	15/04/2025	

आदेश/ORDER

PER MADHUSUDAN SAWDIA, A.M.:

Both these appeals are filed by Indian Red Cross Guntur District Branch, Guntur (“the assessee”), feeling aggrieved by the separate orders passed by the Learned Commissioner of Income Tax (Exemptions), Hyderabad (“Ld. CIT(E)”), rejecting registration u/s. 12AB of the Income Tax Act, 1961 (“the Act”) and rejecting approval u/s.80G of the Act vide orders dated 7.12.2024 and 11.12.2024 respectively. Since both the appeals are on the same issue, they are heard together and consolidated order is being passed for the sake of convenience and brevity.

2. The assessee has raised the following grounds in ITA No.105/Viz/2025 :

“ 1. The order of the Ld. CIT(E), Hyderabad is contrary to the facts and also the law applicable to the facts of the case.

2. The Ld. CIT(E) is not justified in rejecting the application filed by appellant in Form No.10AB for approval u/s.80G of the Act.

3. Any other ground that may be urged at the time of appeal hearing.”

3. The assessee has raised the following grounds in ITA No.106/Viz/2025 :

“ 1. The order of the Ld. CIT(E), Hyderabad is contrary to the facts and also the law applicable to the facts of the case.

2. The Ld. CIT(E) is not justified in rejecting the application filed by appellant in Form No.10AB for Registration u/s.12AB of the Act.

3. Any other ground that may be urged at the time of appeal hearing.”

4. The brief facts of the case are that, the assessee had applied for registration u/s.12AB of the Act and for approval u/s.80G of the Act separately by filing separate Form no.10AB before the Ld. CIT(E). However, the Ld. CIT(E) rejected both the applications stating that the assessee had not carried out substantial activities of charitable nature.

5. Aggrieved with the order of Ld. CIT(E), the assessee is in appeal before us. The Learned Authorised Representative (“Ld. AR”) submitted that, the assessee had fully complied with all the requirements and had provided complete details of its charitable activities to the Ld. CIT(E) including documentary evidences supporting its charitable nature, audited financial statements reflecting the application of funds towards charitable purposes, etc. However, the Ld. CIT(E) rejected the applications without providing any specific reason as to why the activities undertaken were not considered as charitable. The order is cryptic, non-speaking and arbitrary and the Ld. CIT(E)

failed to point out any specific deficiency in the documents filed or the activities carried out by the assessee. Finally, the Ld. AR prayed before the bench for setting aside the impugned order for remanding the matter back to the file of Ld. CIT(E) for fresh consideration after providing the assessee with a proper opportunity of being heard.

6. Per contra, the Learned Department Representative ("Ld. DR") supported the order of Ld. CIT(E) and argued that the Ld. CIT(E) rightly rejected the applications as the assessee failed to demonstrate substantial charitable activities. Finally, the Ld. DR prayed before the bench to reject the appeal of the assessee.

7. We have heard the rival contentions and also gone through the record in the light of the submissions made by either side. We have gone through the paper book filed by the assessee and found that the assessee has filed all the documents in compliance to the notices issued by the Ld. CIT(E) including the details of charitable activities conducted by the assessee, audited financial statements reflecting the application of funds, etc. We have also gone through the order passed by the Ld. CIT(E) and found that the Ld. CIT(E) has not pointed out any specific deficiency neither in the documents filed by the assessee nor in the activity carried out by the assessee. We also found that the order passed by the Ld. CIT(E) is non-speaking and lacks any reasoning. In our considered opinion, the rejection of applications for registration u/s.12AB of the Act and approval u/s.80G of the Act without assigning any specific reason is arbitrary and against the principle of natural justice. Accordingly, we hold that the Ld. CIT(E) has not properly appreciated the documents submitted by the assessee and has not given the assessee an opportunity of being heard. Therefore, in the interest of justice, we deem it appropriate to set aside the

orders of Ld. CIT(E) and remand the matter back to the file of Ld. CIT(E) for fresh adjudication. Needless to say, the Ld. CIT(E) should provide an appropriate opportunity of being heard to the assessee before deciding the issue. Accordingly, both the appeals of the assessee are allowed for statistical purposes.

8. In the result, both the appeals of assessee are allowed for statistical purposes.

Order pronounced in the open Court on 15th April, 2025.

Sd/-

(RAVISH SOOD)
JUDICIAL MEMBER

Sd/-

(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Hyderabad.

Dated: 15.04.2025.

** Reddy gp*

Copy of the Order forwarded to :

1. Indian Red Cross Society Guntur District Branch,
Zilla Parishat Compound, Nagarmpalem, Guntur.
2. CIT(E), Hyderabad.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. Guard file.

BY ORDER,