

आयर अपीलिय न्यायाधिकरण में, हैदराबाद 'बी' बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad "B" Bench, Hyderabad

श्री मंजूनाथ जी, माननीय लेखा सदस्य एवं श्री रवीश सूद, माननीय न्यायिक सदस्य
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER

आयकर अपील सं./I.T.A.No.93/Hyd/2025

Research in Environment Education and Development Society, 17-1-386/5/22, SN Reddy Nagar, Green Park Colony, Road No. 1, Vyshalinagar Post, Hyderabad, Telangana – 500079. PAN: AAATR1635G (अपीलार्थी/ Appellant)	Vs.	ITO, Ward 8(1), Hyderabad Signature Towers, Opp. Botanical Gardens, Kondapur, Hyderabad. (प्रत्यर्थी/ Respondent)
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri. AV Raghuram, Advocate
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Smt. M Narmada, CIT-DR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	29.04.2025
घोषणा की तारीख/ Date of Pronouncement	:	02.06.2025

ORDER

प्रति रवीश सूद, जे.एम./PER RAVISH SOOD, J.M.

The present appeal filed by the assessee society is directed against the order passed by the Commissioner of Income Tax (Exemptions),

Hyderabad [for short, "CIT(Exemption)"] dated 26/11/2024 rejecting the application filed by the assessee society for registration under section 80G of the Income-tax Act, 1961 (for short, "the Act").

2. Succinctly stated, the assessee society is registered with the Registrar of Societies, Government of Telangana on 08.10.1992. As per the Memorandum of Association (MOA), the assessee society has as its objectives carrying out activities aimed at environmental education, awareness on climate change, conservation, agricultural changes, and public health, besides taking up humanitarian and developmental projects such as slum improvement, village upliftment, and coordination of technical support for such projects.

3. The assessee society had e-filed an application in "Form No. 10AB" seeking registration under section 80G of the Act. In response to a notice dated 10.06.2024 issued under section 80G(5)(iv) of the Act, the assessee society furnished with the CIT(Exemption) certain documents and submissions, including a copy of its MOA and reply to his specific queries. The CIT(Exemption), however, observed that only partial information was submitted, without specifying what details were lacking or deficient.

4. Subsequently, the CIT(Exemption) issued another notice dated 07.10.2024, wherein the assessee society was queried whether it was

engaged in any activity in the nature of trade, commerce, or business falling within the meaning of the “*proviso*” to section 2(15) of the Act, and if it was so then what was the ratio of such receipts vis-à-vis the aggregate receipts for each financial year. Apart from that, the assessee society was queried as to whether any person referred to in section 13(1)(c) of the Act had derived any benefit from the society. As is discernible from the record, the assessee society was also asked to submit its past financial statements, returns of income, bank statements, audit reports, earlier approvals under sections 12A/80G/10(23C), cash flow statements, GST returns, donor lists, and evidence of expenditure on its stated objectives.

5. Thereafter, the CIT(Exemption) vide his impugned order rejected the application filed by the assessee society for registration u/s 80G of the Act primarily on two grounds, viz.(i). that no substantial charitable activity was being carried out by the assessee society; and (ii). that the assessee society, having an existing registration under section 80G prior to 01.04.2021, ought to have applied in “Form 10A” by selecting the code 80G(5)(i) on or before 30.06.2024 as per the CBDT Circular No. 7 of 2024 dated 25.04.2024. The CIT(Exemption) further observed that as the assessee society had failed to comply with the aforesaid requirements, therefore, its application in “Form 10AB” was not maintainable.

6. The assessee society being aggrieved with the order passed by the CIT(Exemption) rejecting its application for registration u/s 80G of the Act has carried the matter in appeal before us.

7. We have heard the Ld. Authorized Representatives of both the parties, perused the order of the CIT(Exemption) and the material available on record, as well as considered the judicial pronouncements that have been pressed into service by the ld. AR to drive home his contentions.

8. Shri. A.V Raghuram, Ld. AR has taken us through the copies of the returns of income, financials, and other documentary evidence that were filed by the assessee society before the CIT(Exemption), which prima facie demonstrate that the assessee society was undertaking activities aligned with its stated charitable objects.

9. Although, the CIT(Exemption) had observed that no substantial charitable activities were carried out by the assessee trust, but he has neither identified any particular instance of non-compliance with the charitable nature of activities nor pointed out any deficiency in the documents filed by the assessee society before him. Rather, there is no finding or evidence to support his conclusion that the assessee society was either engaged in any non-charitable activity or had violated the provisions of section 2(15) of the Act.

10. Furthermore, the rejection of the application filed by the assessee society for registration u/s 80G of the Act, on the technical ground that the assessee society should have filed “Form 10A” instead of “Form 10AB” is, in our considered opinion, not a valid basis for denial of registration. We are of the firm conviction that the procedural irregularities or usage of a wrong form should not be the sole ground for rejecting an otherwise valid application, especially when the assessee is an existing registered entity under the Act and the charitable nature of its activities is not disproved. Our aforesaid view is fortified by the order of the ITAT, Nagpur in the case of Gospel India Ministries Vs. CIT, ITA Nos. 267 & 563/Nag/2024, dated 27.01.2025.

11. Apart from that, it is also a fact that the CIT(Exemption) had acted upon the application filed by the assessee society in “Form 10AB” seeking registration u/s 80G of the Act. Rather, it was the assessee society that had in its reply to Query no. 9 of the notice of the CIT(Exemption) dated 07/10/2024 had, inter alia, filed before him the details regarding the registration that it held u/s 80G of the Act. However, the aforesaid infirmity i.e. using of the wrong form by the assessee society was never pointed out by the CIT(Exemption), and had figured for the first time in his impugned order rejecting the application of the assessee society.

12. Be that as it may, we are of the considered opinion that the order passed by the CIT(Exemption), Hyderabad, is not a speaking order and suffers from non-application of mind to the facts and materials available on his record. Accordingly, we restore the matter to the file of the CIT(Exemption), Hyderabad, with a direction to consider the application filed by the assessee society for registration u/s 80G of the Act, afresh, in accordance with law, and pass a reasoned and speaking order after affording due opportunity of being heard to the assessee society.

13. Resultantly, the appeal filed by the assessee society is in terms of our aforesaid observations allowed for statistical purposes.

Order pronounced in the Open Court on 2nd June, 2025.

Sd/- (मंजूनाथ जी) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER	Sd/- (श्री रवीश सूद) (RAVISH SOOD) न्यायिक सदस्य/JUDICIAL MEMBER
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Hyderabad, dated 02.06.2025.

आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारिती/The Assessee	:	Research in Environment Education and Development Society, 17-1-386/5/22, SN Reddy Nagar, Green Park Colony, Road No. 1, Vyshalinagar Post, Hyderabad, Telangana – 500079.
2.	राजस्व/ The Revenue	:	ITO, Ward 8(1), Hyderabad Signature Towers, Opp. Botanical Gardens, Kondapur, Hyderabad.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
5.	The Commissioner of Income Tax		
6.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad