

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री जगदीश, लेखक सदस्य के समक्ष
BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.1919 & 1920/Chny/2025

Maditssia Trade & Convention
Centre,
Near Madurai Corporation Office,
Dr. Ambedkar Salai,
Madurai – 625 020.
PAN: AAMCM 4464D

Vs. The Commissioner of Income
Tax (Exemptions),
Chennai.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri N. Arjun Raj, Advocate
: Shri Bipin C.N, CIT

सुनवाई की तारीख/Date of Hearing

: 25.09.2025

घोषणा की तारीख /Date of Pronouncement

: 29.09.2025

आदेश / ORDER

PER JAGADISH, A.M :

Aforesaid appeals filed by the assessee arises out of the orders of Learned Commissioner of Income Tax (Exemption), Chennai [hereinafter "CIT(E)"] dated 27.06.2025 in rejecting application for registration u/s. 12A(1)(ac)(iii) of the Income-tax Act, 1961 (hereinafter "the Act") and approval u/s 80G of the Act.

ITA No.1919/Chny/2025:

2. The Ld CIT(E) has rejected the application filed by the assessee in Form 10AB u/s. 12(1)(ac)(iii) of the Act on 21.11.2024 seeking registration u/s. 12AB of the Act for the reason that the applicant has not provided any evidence or clarification regarding the proposed usage of the convention center, specifically whether it will be made free of charge or fee will be levied for its use and in the absence of any note regarding free or subsidized access to the proposed convention center the activities are structured with commercial objective.

3. The Ld. Authorized Representative (AR), before us, submitted that the learned CIT(E), in para 4.2(v) of the impugned order, has observed that the activities of the assessee appear to be predominantly commercial in nature, with a clear revenue-generating intent. It was further noted by the Ld. CIT(E) that no material was placed on record by the assessee to demonstrate that the proposed convention centre would advance any charitable purpose or serve the public interest in any meaningful manner. The Ld. CIT(E) also observed that, in the absence of any note regarding free or subsidized access to the proposed convention centre, the activities appear to be structured with a commercial objective. The Ld. AR, therefore, pleaded

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that one more opportunity may be granted to the assessee to file the necessary details before the learned CIT(E) to prove charitable objective.

4. On the other hand, the Ld. Departmental Representative (DR), has relied on the orders of lower authorities.

5. We have heard both the parties and gone through the order of the Ld. CIT(E). The Ld. CIT(E) rejected the application for registration u/s. 12AB of the Act after examining the present and proposed activities and observing that the applicant has not provided any evidence or clarification regarding the proposed usage of the convention center – specifically whether it will be made free of charge or fee will be levied for its use. The Ld CIT(E) has held that in absence of any note regarding free or subsidized access to the proposed convention center the activities are structured with a commercial objective. The Ld. AR has submitted that the assessee has evidences to demonstrate that it has undertaken charitable activities, but could not be furnished before Ld CIT(E), therefore one more opportunity may be provided before Ld CIT(E). Considering the submissions and in the interest of justice, we are of the view that one more opportunity should be granted to the assessee to present its case before Ld CIT(E).

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Accordingly, we remit the matter back to the file of the Ld. CIT(E) for fresh consideration of the application, after affording the assessee a reasonable opportunity of being heard. We also direct the assessee to appear before the Ld. CIT(E) on the date of hearing without fail and submit all the relevant documents sought for by the Ld. CIT(E). In view of the above, the appeal filed by the assessee is allowed for statistical purposes only.

ITA No.1920/Chny/2025:

6. In this case, the Ld. CIT(E) had rejected the assessee's application for approval u/s. 80G(5) of the Act on the ground that the assessee has failed to prove the activities of the trust/institution are in charitable as defined in section 2(15) of the Act. Since, we have already remitted the matter relating to registration u/s. 12AB back to the file of the Ld. CIT(E) for fresh consideration, we are of the considered opinion that the issue of approval u/s. 80G(5) of the Act also requires reconsideration. Accordingly, we remit this matter as well to the file of the Ld. CIT(E) for fresh adjudication, after giving due opportunity to the assessee to clarify its objects and activities.

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7. In the result, both the appeals filed by the assessee is allowed for statistical purposes.

Order pronounced on 29th day of September, 2025 at Chennai.

Sd/-
(मनु कुमार गिरि)
(Manu Kumar Giri)
न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 29th September, 2025.

EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

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