



**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER**

**आयकरअपीलसं./ITA No. 180 & 181/RJT/2024
(निर्धारणवर्ष / Assessment Year: (NA))**

Indian Red Cross Society Gir Somnath District Branch Block No.4, Divya Apartment, Opp. SBI Bank, 80ft Road, Veraval, Gir-Somnath, Gujarat-362266	Vs.	CIT(Exemption) Room No. 609, Floor No. 6, ayakar Bhavan (Vejalpur), 100ft Road, Ahmedabad - 380015
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AABAI3231R		
(Appellant)		(Respondent)

Appellant by : Shri D. M. Rindani, Ld. AR
Respondent by : Shri Sanjay Punglia, Ld. CIT(DR)
Date of Hearing : 31/07/2025
Date of Pronouncement : 29/10/2025

आदेश / O R D E R

PER DINESH MOHAN SINHA, JM:

Captioned two appeals filed by the same assessee, are directed against the separate orders passed by the Learned Commissioner of Income Tax(Exemption), wherein the Ld. CIT(E) rejected the assessee's application in Form 10AD for approval u/s. 12AB(I)(b)(ii), and the assessee application in Form 10AB for approval u/s. 80G(5) of the Act, both dated 28.06.2023 are rejected.

2. These two appeals have been clubbed and heard together and a consolidated order is being passed for the sake of convenience and brevity. First, we adjudicate the appeal (ITA 180/Rjt/2025).



3. Grounds of appeal in (ITA No. 180/Rjt/2025) raised by the assessee are as follows:

1. The CIT (Exemption) erred in rejecting the application filed by the assessee in Form 10AB u/s 12AB of the Act on the ground that the rules of the Appellant-Trust for application of fund were not voluntary but contractual or compulsory in nature.

2. The CIT (Exemption) further erred in cancelling the provisional registration granted to assessee in Form 10AC u/s 12A(1)(ac)(vi) of the Act.

3. Relief claimed in appeal:

It is prayed that the CIT (Exemption) be directed to grant registration u/s 12AB of the Act to the assessee-applicant considering the intent of the Act read with the objects of the assessee-applicant alongwith merits of the case.

4. The appellant craves leave to add, amend, alter or withdraw all or any ground of appeal at any time upto the date of hearing of the appeal.

4. Grounds of appeal in (ITA No. 181/Rjt/2025) raised by the assessee are as follows:

1) The CIT (Exemption) erred in rejecting the application filed by the assessee in Form 10AB u/s 80G(5) of the Act by treating the said application as non-maintainable on the ground that the same was not filed within the time limit prescribed under the clause (iii) of the first Proviso to Sec. 80G(5) of the Act and by holding that registration u/s 12A of the Act is a pre-requisite for grant of approval u/s 80G of the Act.

2. The CIT (Exemption) erred in rejecting the application filed by the assessee in Form 10AB u/s 80G(5) of the Act without going into merits.

3. Relief claimed in appeal:

It is prayed that the CIT (Exemption) be directed to grant registration u/s 80G(5) of the Act to the assessee-applicant considering the intent of the Act read with the objects of the assessee-applicant alongwith merits of the case.

4. The appellant craves leave to add, amend, alter or withdraw all or any ground of appeal at any time upto the date of hearing of the appeal.



5. At the outset, that both the appeals filed late by 207 days. The Ld. AR of the assessee has filed an application for condonation of delay, supported by Affidavit. The relevant para of the application for delay is as under;

“1. That the Appellant had filed an application for registration of the Appellant AOP u/s 12AB of the Act on 26-12-2022 before the CIT (Exemption), Ahmedabad. Thereafter, various details were called for by the CIT (Exemption), which were furnished by the Appellant. Thereafter, for reasons mentioned in the impugned order, the application for registration u/s 12AB of the Act filed by the Appellant was rejected vide order dated 28-06-2023.

2. That the registered e-mail id on the E-filing portal of the Appellant-AOP was that of its chartered accountant i.e. "jytanna166@gmail.com". However, notices issued by the CIT (Exemption) calling for various details relating to registration u/s 12AB, were sent on email id of the Chairman/office bearer of the AOP (as mentioned in the application u/s 12AB of the Act) "kiritunadkat@gmail.com", namely, Mr. Kiritbhai Unadkat, alongwith e-mail ids of other office bearers.

3. That the impugned order in-appeal dated 28-06-2023, passed by the Commissioner of Income-tax (Exemption), Ahmedabad was received on e-mail id of the Chairman of the AOP on 28-06-2023 (who is also the Only administrator of the AOP).

4. That all notices issued by the CIT (Exemption) were complied with by the Appellant and details called for were filed.

5. However, the impugned order was not noticed by the Chairman (Age 71 years) who was indisposed due to cardiac ailment and was advised by the Doctor to avoid external work and stress. Doctor's certificate in this regard is attached herewith (Page 1).

6. That sometime in March 2024, when the Chartered Accountant, Mr. Jitendra J. Tanna, came to know about rejection of application made by the AOP while logging on to E-filing portal of the Appellant, the Appellant was advised to consult a Counsel in Rajkot for further course of action.



7. That thereafter, the Appellant consulted a Tribunal tax practitioner in Rajkot and, on his advice, decided to avail the right of appeal before the Hon'ble Tribunal against the order rejecting application u/s 12A of the Act dated 28-06-2023.

8. That thereafter all required documents were sent to Tribunal counsel in Rajkot who prepared the appeal memo and papers and signatures, payment of appeal fee was made and then the present appeal to the Hon'ble Tribunal was filed on 23-03-2024, which is belated by 207 days.

9. That the Appellant is an association of person set up as a district branch of Indian Red Cross Society in the year 2015 and it was duly provisionally registered vide certificate Form 10AC dated 05-12-2022 for the period A.Y. 2023-24 to A.Y. 2025-26.

10. That, the Appellant duly complied with the notices issued by the CIT (Exemptions) and furnished all details and documents called for in support of its application u/s 12AB of the Act. It was only the order rejecting the application for registration u/s 12AB of the Act which could not be traced on time by the office bearer due to his ill health and that there are no intentional latches or inaction on part of the Appellant.

11. That on behalf of the Appellant, the impugned matter was looked after by the undersigned Office bearer who is responsible for the entire administration of the Trust.

12. That therefore, in view of above reasons, the present appeal is filed belatedly by 207 days”

6. During the course of the hearing, the Ld. AR submitted that the object of the trust are charitable in nature, Ld. AR prayer for an opportunity may kindly be given to the assessee. On the contrary, the Ld. DR for the revenue has no objected to the prayer of the Ld. AR.

7. We have heard the parties. We note that there is a delay of 209 days in filing the appeal before this Tribunal. Due to the impugned order was not noticed by the Chairman (Age 71 years) who was indisposed due to cardiac ailment



and was advised by the Doctor to avoid external work and stress. Thereafter, the Appellant consulted a practitioner in Rajkot, on his advice of appeal filed before the Hon'ble Tribunal against the order rejecting application u/s 12A of the Act dated 28-06-2023. Chairman's health ailment was sufficient cause shown by appellant for condonation of delay of 209 days in filing appeals, In the interest of justice, we take a judicious view and condoned the delay in filing appeal by 209 days and heard the appeal on merit.

8. Brief facts of the case the application for registration of the trust u/s. 12AB of the I.T. Act, 1961 was filed electronically and as per data available in ITBA, the same is filed on 26/12/2022 by the assessee in Form No. 10AB under Rule 17A of the I.T. Rules, 1962. The Rule 17A(1) of the Income Tax Rules prescribes the different forms to be filed for making application under various sub-clauses of clause (ac) of sub-section (1) of section 12A of the Act for registration of a charitable or religious trust on institution and stipulates. A notice was issued to the applicant/assessee on 13/04/2023 and sent through ITBA with a request to furnish detailed note on the activities actually carried out by the trust as well as certain details/documents as mentioned therein. response to the notice, the applicant/assessee has furnished certain detail/document, present application filed.

9. The Ld. CIT(E) has pursued the replay on the application filed in Form No. 10AB for the registration u/s. 12AB of the I.T. Act, 1961, is rejected on dated 08.06.2023 with the observation 30% of the total donations to be received by the applicant/assessee will be transferred to the State Branch and to the National Headquarter of Red Cross Society. The aforesaid contractual or compulsive transfer of donation fund does not fall within the ambit of voluntary donation; therefore said 30% of total donation (to be transferred to



District/ National Headquarter as rules) cannot be treated as application of the fund towards the objects of the applicant/assessee by the District branch i.e. the applicant, as per the provisions of the Act.

10. Aggrieved by the impugned order dated 28.06.2023 of the Ld. CIT(E), the assessee is in appeal before us.

- (i) During the course of argument, the Ld. AR of the assessee submitted summary of appellant's contention stating the rules of Red Cross Society. That the society formed by Red Cross Society Act 1920. According to rule 6 of the Red Cross rule. Society distribute the subscription with National/State/District Societies in the similar circumstances Gandhinagar District Society was granted registration.
- (ii) On the other hand, the Ld. DR for the revenue relied on the order of the Ld. CIT(E).

11. We have carefully considered the rival contentions of both the party and perused the materials available on record. We note that the assessee submitted activity report for the Year 2021-22 (at Page No. 25 of paper book)

a. Mental Health Helpline (Online) (Stress Managment)

b. Taukte Relief operations during cyclone.

c. Eye Donation Awareness Fortnight - Welcome to Gujarat Ujas Yatra.

d. Commencement of Sankalp Patra under Chakshudan Jagruti Abhiyan.

e. Thalassemia Awareness and Prevention Program: Talala Gir and Virpur

f. Meeting at Somnath Trust, Prabhas Patan.

g. Thalassemia Prevention and Awareness Program: Una



- h. Thalassemia Awareness and Prevention Program: Savjani College, Veraval*
- i. Annual General Meeting of Indian Red Cross Society, Gir Somnath.*
- j. Blood Donation Camp with Wedding Ceremony: Talala Gir*
- k. Thalassemia Awareness and Prevention Program: Government Science College Veraval*
- l. Eye donation: Kankalaben Maheshchandra Bhatt*
- m. Thalassemia Awareness and Prevention Program: Visanvel*
- n. Thalassemia Awareness and Prevention Program: Choksi & Choksi College and JM Science College, Veraval.*
- o. Eye donation: Prabodhbhai Damodardas Rughani*
- p. Eye donation: Majulaben Jayantilal Kanabar*
- q. Thalassemia Awareness and Prevention Program: Mahila Arts and Commerce College, Veraval”*

* We further note that the assessee submitted a letter from Indian Red Cross Society Gujrat State Branch. Whereby, the assessee (Indian Red Cross Society) as upgraded and made the applicate Society as District level Society. (page no. 45 of paper book)

* We note that the assessee has submitted the object of the Society (page no. 57 of paper book)

- “1) Aid to the demobilized sick and wounded members of the Armed Forces of the Union.
- 2)Maternity and Child Welfare.
- 3)Junior Red Cross
- 4) Nursing and ambulance work.”



* We further note the assessee has submitted the short note before the Ld. CIT(A) in respect of sharing of donation by the National/ State/ District Branch the same is reproduce:

“The only ground on which registration is denied by the CIT (Exemption) is stating that requirement in the rules of Indian Red Cross Society that 15% of unspecified donations are to be paid over to the State Branch and the National Headquarter is a compulsive transfer of donation and hence it does not fall within the ambit of voluntary donation hence to not be treated as application of funds towards objects of the district branch of Indian Red Cross Society.

The CIT (Exemption) fails to appreciate that the appellant is just one of the many district branches of the Indian Red Cross Society (which is an International Movement) constituted under an Act of Parliament by the name of Indian Red Cross Society Act, 1920. In essence, the objects of the Society throughout the country are same (Page 57 of the Paperbook read with Page 90). The requirements of the transfer of certain % of donations to the state and national headquarters forms part of uniform rules which have been framed by the Hon'ble President of India (Page 74 & 82 of the Paperbook) which require the funds to be transferred to the same Society for the very same objects. Hence, it could not be said have been said that it does amount to non-application of funds. Ultimately the funds are only required to go the Society at National level. Hence, on this ground, there is no violation of Sec 11 of the Act.”

* The Ld. AR of the assessee has also submitted chapter-ii of the constitution of Indian Red Cross Society. Wherein, at clause (e) allocation of membership subscription is given which is reproduce:

“The allocation of membership subscription made either to National Headquarters or to the State/District Branch concerned shall be apportioned in the following manner:

- i) National Headquarters - 15%*
- ii) State - 15% and*



*iii) District Branch - 70% (including 15% share of sub
Dist. Branch if one exists.)”*

* We further note that Ld. AR submitted that the other District Society i.e. Indian Red Cross Society Gandhinagar District Branch as granted the registration under 12AB(1)(b) and clause (ii) of 2nd proviso to section 80(G)(5) was granted on 12.08.2024. A copy of the same is place on record.

* The assessee has also submitted the audited accounts. i.e. balance sheet and income expenditure accounts.

* Considering the above facts and circumstances case. We are of the view that the assessee is entitled form a clue of registration under the Act.

We therefore, direct the CIT(E) u/s. 12A grant registration to the assessee in accordance with law.

ITA No. 181/Rjt/2025

15. That the assessee filed an application for approval under clause (iii) of first proviso to sub-section (5) of section 80G of the Act, that the assessee can rectified the application in Form 10AB u/s. 80G(5)(iii) and same is to be submitted before CIT(E) during the course of hearing. The issue is similar and the same is disposed of in above terms.

16. In the result, both the appeals filed by the assessee are allowed for statistical purpose.



Order pronounced in the open court on 29-10-2025

**Sd/-
(Dr. A. L. SAINI)
ACCOUNTANT MEMBER**

**Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER**

Rajkot

दिनांक/ Date: 29/10/2025

Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot