

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

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री जगदीश, लेखासदस्य के समक्ष
BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.2234 & 2235/Chny/2025

Kumarann Charitable Trust,
34, Indira Nagar, CSI Church Back
Side, Avinashi Road,
Tirupur – 641 602.
PAN: AAETK 7439B

The Commissioner of Income
Tax (Exemption),
Chennai.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by

: Shri T.S.Lakshmi Venkataraman,
C.A (virtual)

प्रत्यर्थी की ओर से /Respondent by

: Shri Shiva Srinivas, CIT

सुनवाई की तारीख/Date of Hearing

: 28.10.2025

घोषणा की तारीख /Date of Pronouncement

: 30.10.2025

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 26.06.2025 in rejecting application for registration u/s. 12AB of the Income-tax Act, 1961 (hereinafter "the Act") and approval u/s 80G of the Act.

ITA No.2154/Chny/2025:

2. The Ld. CIT(E) has rejected the application filed by the assessee in Form No. 10AB under section 12A(1)(ac)(vi) of the Act on 18.10.2024, seeking registration u/s. 12AB of the Act. The Ld. CIT(E) observed that the assessee had not submitted any evidence in support of its contention that it was providing subsidized or free medicines to prove charitable nature of activities as medical relief or relief to poor. The Ld. CIT(E) held that the assessee-trust was running a pharmacy, which is commercial in nature, and was not actually engaged in any charitable activity that could be categorized as “relief of the poor. In view of these findings, the Ld. CIT(E) rejected the application for registration under section 12AB of the Act.

3. The Ld. Authorized Representative (A.R.) for the assessee submitted that the Ld. CIT(E) was not justified in holding that the application could not be processed merely because it was filed u/s. 12A(1)(ac)(vi) instead of section 12A(1)(ac)(iii) of the Act. It was contended that the selection of the wrong clause was only a clerical mistake, which should not deprive the assessee of its substantive right to registration. The Ld. A.R further submitted that the Ld. CIT(E) failed

:- 3 -:

to consider the complete list of the trust's objects, which were twenty-seven in number, and instead relied only on three objects mentioned in Form No. 10AB. The Ld. A.R therefore pleaded that, in the interest of justice, one more opportunity be provided to the assessee to substantiate its case before the Ld. CIT(E).

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), in para 4.2.1 of his order, has observed that the assessee made an application u/s. 12A(1)(ac)(vi) – Item B instead of section 12A(1)(ac)(iii) of the Act, and hence, held that the same could not be processed. The Ld. CIT(E) also noted that the assessee had not produced any evidence to substantiate its claim that subsidized or free medicines were provided to deserving persons, so as to qualify under the charitable objects of “relief of the poor” or “medical relief.” Considering the submissions, and in the interest of justice, we are of the view that the assessee should not be punished for clerical mistake in not selecting the appropriate clause in the

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application. We accordingly direct Ld CIT(E) to consider the application as filled under the provisions of section 12A(1)(ac)(iii) and provide one more opportunity to the assessee to present its case and submit the necessary supporting documents. Accordingly, we set aside the impugned order of the Ld. CIT(E) and remit the matter back to his file for fresh consideration of the assessee's application, in accordance with law, after affording a reasonable opportunity of being heard to the assessee. The assessee is also directed to comply with all notices issued by the Ld. CIT(E) and furnish all relevant details for fresh consideration. In view of the above, the appeal filed by the assessee is allowed for statistical purposes only.

ITA No.2235/Chny/2025:

6. 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 re-consideration. 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 substantiate its claim. The assessee is also directed to comply with all the notices issued by the Ld. CIT(E) and furnish all relevant details for its fresh consideration.

:- 5 -:

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

Order pronounced on 30th day of October, 2025 at Chennai.

Sd/-
(जॉर्ज जॉर्ज के)
(George George K)
उपध्यक्ष / Vice President

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

चेन्नई/Chennai, दिनांक/Dated: 30th October, 2025.

EDN, Sr. P.S

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