

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**"G" BENCH, MUMBAI**  
**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND**  
**SHRI JAGADISH, ACCOUNTANT MEMBER**

**I.T.A. No. 2660/Mum/2025**  
**ASSESSMENT YEAR: 2014-15**

**I.T.A. No. 2661/Mum/2025**  
**ASSESSMENT YEAR: 2015-16**

**I.T.A. No. 2705/Mum/2025**  
**ASSESSMENT YEAR: 2016-17**  
*(Physical Hearing)*

Yashwantrao Chavan Centre Plot No.7&9, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai- 400066.  PAN: [AAATY0012E]	Vs.	ITO (Exemption)-2(4), Mumbai-400026.
(Appellant)		(Respondent)

Appellant by	Shri Piyush Chaturvedi
Respondent by	Shri. Arun Kanti Datta- CIT DR

Date of Hearing	20.01.2026
Date of Pronouncement	22.01.2026

**ORDER**

**Per: SHRI JAGADISH, A.M.:**

1. These three appeals filed by the assessee arise out of identical orders passed by the learned Commissioner of Income Tax (Appeals) [NFAC/Faceless]. Since the issues involved are common, all the appeals are being disposed of by this consolidated order. For the sake of convenience, we take A.Y. 2014-15 as the lead year.

2. The assessee has raised the following grounds of appeal:-

*"1. The Ld. CIT (A)- Faceless grossly erred in not considering the written submission and judicial precedents relied upon by the appellant. The failure to deal with the contentions raised renders the appellate order unjust, arbitrary, and violative of principles of natural justice, and therefore, liable to be quashed.*

*2. The Ld. CIT(A) [Faceless] failed to grant a personal hearing through video conferencing despite a specific and timely request made by the appellant. This denial of an opportunity to be personally heard renders the appellate order unjust, arbitrary, and violative of the principles of natural justice. Consequently, the impugned order deserves to be quashed on this ground alone.*

*3. The Ld. CIT(A)-Faceless erred in law and on facts in failing to consider and follow the appellate order passed by the CIT(A) for the preceding assessment year 2010-11, which was duly relied upon and submitted before him. In the absence of any change in facts or law, the principle of consistency ought to have been followed, and the failure to do so renders the impugned order unsustainable.*

*4. The Ld. CIT(A) erred in law and on facts in failing to appreciate that the main objects and activities of the assessee-trust are 'Education' and 'Relief to the Poor', which fall squarely within the charitable purposes defined under Section 2(15) of the Act. The Ld. CIT(A) further erred in incorrectly assuming and concluding that the trust's objects fall under the residual limb of 'advancement of any other object of general public utility', thereby mischaracterizing the nature of the trust and unjustly denying the benefit of exemption under Section 11.*

*5. The Ld. CIT(A) erred in law and on facts by upholding the denial of exemption under Section 11 of the Income Tax Act, 1961, by misapplying the first proviso to Section 2(15) and assessing business income at Rs. 2,08,07,342/-. The CIT(A) failed to consider binding judicial precedents, including the decisions of the Hon'ble Bombay High Court and the Income Tax Appellate Tribunal (ITAT), which have consistently held that income from incidental letting of property by a charitable trust, when applied towards its charitable objectives, qualifies for exemption under Section 11.*

*6. The Ld. CIT(A) erred in law and on facts by failing to appreciate that the Department had consistently accepted the charitable status of the Appellant Trust and its activities for several decades. Under similar facts and circumstances, no adverse findings were recorded in earlier years. The principle of consistency mandates that a view accepted in earlier years should not be departed from unless there is a material change in facts or law. The CIT(A)'s deviation from this established position, without demonstrating any such change, renders the appellate order arbitrary and contrary to settled legal principles.*

*7. The Ld. CIT(A) erred in law and on facts by failing to appreciate that the income earned from letting out the 'Hall' constitutes rental income from trust property, which should be assessed under the head 'Income from House Property' as per Section 22 of the Income Tax Act, 1961. The 'Hall' is a part of the trust's property,*

*and its letting does not involve any complex commercial activities or provision of services that would reclassify the income as 'Business Income'.*

*8. The Ld. CIT(A) erred in law and on facts by failing to appreciate that the letting out of the hall by the assessee-trust does not constitute a business activity but represents mere exploitation of property by its owner during periods when the hall is not utilized for its primary charitable purposes.*

*9. The Ld. CIT(A) erred in law and on facts by failing to appreciate that the letting of the auditorium was undertaken solely to support the main charitable activities of the Trust. The entire income derived from such letting was applied towards the Trust's charitable purposes, thereby fulfilling the conditions stipulated under Section 11(4A) of the Income Tax Act, 1961.*

*10. The Ld. CIT(A) erred in law and on facts by upholding the denial of exemption under Section 11(4A) of the Income Tax Act, 1961, on the ground of absence of separate books of account for the Hall letting activity. The Trust has maintained detailed accounts of all transactions, and the income from the auditorium was fully disclosed and applied exclusively towards its charitable objectives.*

*11. The Appellant respectfully craves leave to add, alter, amend, or withdraw any of the grounds of appeal at or before the time of hearing."*

3. The assessee is a trust registered with the Charity Commissioner and also registered under section 12A of the Income-tax Act, 1961 ("the Act"). The assessee filed its return of income declaring Nil income, after claiming exemption under section 11 of the Act.
4. However, the Assessing Officer, while completing assessment under section 143(3) of the Act, held that the assessee is engaged in activities in the nature of trade, commerce or business, and accordingly invoked provisions of section 11(4A). The Assessing Officer denied exemption under sections 11 and 12 of the Act.
5. Aggrieved, the assessee carried the matter in appeal before the learned CIT(A). However, the learned CIT(A) confirmed the action of the Assessing Officer. Hence, the present appeals before us.
6. At the outset, the learned Authorised Representative submitted that the impugned appellate orders suffer from violation of principles of natural justice. It was submitted that a specific request for personal hearing through video conferencing was made before the learned CIT(A) vide written

submission dated 22.04.2024, however, the learned CIT(A) disposed of the appeals without granting such opportunity and without properly considering the written submissions filed.

7. In support of the contention, the learned Authorised Representative relied upon the order of the coordinate bench of the Tribunal in Bank of India vs. ACIT, Circle 2(1)(1), Mumbai, in ITA No.112/M/2022 for A.Y. 2010-11 dated 30.06.2022, wherein the matter was restored to the file of the first appellate authority for fresh adjudication after granting personal hearing through video conferencing.
8. It was further submitted that similar issue in assessee's own case had been decided in favour of the assessee in certain years and therefore principle of consistency also supports the assessee. It was stated that the claim was allowed in A.Y. 2012-13, appeal for A.Y. 2013-14 is pending, whereas for A.Ys. 2014-15 to 2016-17 the claim was denied. Further, it was submitted that for A.Y. 2017-18, learned CIT(A) again allowed the assessee's claim for exemption under sections 11 and 12.
9. Per contra, the learned Departmental Representative relied upon the order of the learned CIT(A) and submitted that the impugned appellate order is detailed and requires no interference.
10. We have considered the rival submissions and perused the material available on record. The grievance of the assessee is that despite making a specific request for grant of personal hearing through video conferencing, the learned CIT(A) disposed of the appeals without allowing such hearing. The assessee has also contended that the written submissions filed were not properly considered.
11. We find that in the case of Bank of India vs. ACIT (supra), the coordinate bench, considering the provisions of Faceless Appeal Scheme, 2021, and rule 12 thereof, held that once a request for personal hearing through video conferencing is made, such hearing is required to be granted. The Tribunal in that case restored the matter to the file of the first appellate authority for de

novo adjudication, after affording opportunity of personal hearing through video conferencing, and by passing a speaking order.

12. Respectfully following the said decision of the coordinate bench and considering the fact that the assessee had specifically requested for video conferencing hearing which was not granted, we are of the view that the matter requires to be restored to the file of the learned CIT(A) for fresh adjudication.
13. Accordingly, we set aside the impugned orders and restore the appeals to the file of the learned CIT(A) with a direction to adjudicate the issues afresh in accordance with law, after granting the assessee reasonable opportunity of being heard (including personal hearing through video conferencing, as requested), and by passing a speaking order.
14. Since we are restoring the matter on this preliminary issue of violation of principles of natural justice, we are not expressing any opinion on the merits of the additions / denial of exemption.
15. In the result, all the appeals of the assessee are allowed for statistical purposes.

*Order pronounced on 22<sup>nd</sup> day of January, 2026 at Mumbai.*

**Sd/-**

**(SAKTIJIT DEY)**  
**Vice President**

**Sd/-**

**(JAGADISH)**  
**Accountant Member**

Mumbai, Dated: 22 January, 2026.

*Ashwani Rao*  
*Sr. Private Secretary*

**Copy of the order forwarded to:**

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Assistant Registrar)  
ITAT, Mumbai