IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

WEDNESDAY,THE FIFTEENTH DAY OF OCTOBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 30468 OF 2025

Between:

Swamy Viveknanda Educational Trust, Rep by its Secretary, Mr. Gangidi Manohar Reddy, Sy No 288 and 289, Aushapur village, Ghatkesar Mandal, Hyderabad, Medchal Malkajgiri 500059, Telangana.

...PETITIONER

AND

1. Assessment Unit, Income Tax Department, National e- Assessment Center, Room No.401, 2ndFloor, E-Ramp, Jawaharlal Nehru Stadium, New Delhi-110 003.
2. Commissioner of Income Tax (Exemptions), 2nd Floor, Aayakar Bhavan, Basheerbagh, Hyderabad, Telangana.
3. Principal Chief Commissioner of Income Tax (Exemptions), R.No 2504, E-2, Block 25th Floor, Civic Centre, New Delhi.
4. Union of India, rep. by its Secretary, Ministry of Finance, Government of India, North Block, New Delhi-110 001.

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a Writ of Mandamus or any other appropriate writ, order or direction

A) To set aside the decision on stay application issued by the 2nd Respondent vide its letter dated 30.08.2025 read with 15.09.2025 demanding Rs 3.87 crores, the order of stay application as the matter being a huge amount for grant of stay on tax demand is unjust, unconstitutional, and detrimental to the charitable sector and society at large covered and contrary to the facts that the Petitioner is a valid holder of approval order for claiming exemption under Section 10(23C)(vi) in Form 10AC.

B) To direct the Respondents for speedy disposal of the appeal filed in NFAC/2022-23/10449888 for the assessment year 2023- 24

IA NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to grant stay of all further proceedings, including any recovery. pursuant to the impugned order under Section 143(3) read with 144-B of the Income Tax Act. 1961 dated 06.03.2025 and penalty proceedings under Section 274 read with 270A dated 06.03.2025. issued by the 1st Respondent, for the assessment year 2023-24 and grant stay until the matter is decided before CIT(A), NFAC. pending disposal of the above writ petition

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Counsel for the Petitioner: Ms. AKRUTI AGARWAL

Counsel for the Respondent Nos. 1to3: SRI VIJHAY K PUNNA,
SENIOR STANDING COUNSEL FOR INCOME TAX

Counsel for the Respondent No.4: SRI N. BHUJANGA RAO,
DY.SOLICITOR GENERAL OF INDIA

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No.30468 of 2025

ORDER:

Ms. Akruti Agarwal, learned counsel for the petitioner.

Mr. Vijhay K Punna, learned Senior Standing Counsel for the Income Tax Department appears for respondent Nos.1 to 3 through video conferencing.

2. The application for stay on the recovery of demand of Rs.25,86,36,931/- pending the appeal preferred by the petitioner on 20.03.2025 in respect of the Assessment Year 2023-24 has been rejected by the Commissioner of Income Tax (Exemptions), Hyderabad (for short, "the CIT") by order dated 30.08.2025 impugned herein, which reads as under:

"GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIT (EXEMPTION), HYD

To Swamy Vivekananda Educational Trust Sy.No.288 and 289, Aushapur Village, Ghatkesar Mandal, Hyderabad, Medchal Malkajgiri 500059, Telangana	

PAN: AAFTS0525H	Assessment Year 2023-24	Dated: 30/08/2025	DIN & Letter No: ITBA/COM/F/17/2025-26/1080186780(1)

Sir, Madam/M/s,

Subject: Online service of Orders – Letter

Sub: Decision on Stay Application – Request for Partial Payment – Reg.

This is with reference to your application for stay of collection of taxes, submitted before the Commissioner of Income Tax (Exemptions), Hyderabad. As per this the demand payable are as under:

Asst Year	Out standing Demand
2023-24	25,86,36,931

After carefully examining all relevant **facts and circumstances of your case,** and also considering the recent **order of the Hon'ble Andhra Pradesh High Court** in the case of *M/s. The General and Technical Education Society* (IA No.1 of 2025 in WP No.12728 of 2025) and also considering the Hon'ble High Court of Telangana order in the case of *Zoos and Parks Authority of Telangana v. CIT (E) (2024) 467 ITR 235 (Telangana) (HC),* your stay application has been **considered.**

It is, therefore, decided that your stay petition is considered provided you pay an amount of Rs.3,87,00,000/- on or before 08.09.2025 and produce copies of challans before the Assessing Officer of your case and marked a copy to the undersigned.

Please note that if you **fail to comply** with this directive by the due date, the **Assessing Officer will be at liberty to initiate coercive recovery proceedings** under section 226(3) of the **I.T.Act, 1961 without any further communication.**

Further you are informed to treat this matter with urgency and ensure compliance within the stipulated timeframe to avoid any further action by the Department.

BALA KRISHNA BATTULA
CIT(EXEMPTION), HYD

Copy to:

1. Assessing Officer.
2. Additional Commissioner of Income Tax (Exmp), Hyderabad.

BALA KRISHNA BATTULA
CIT(EXEMPTION), HYD"

3. The petitioner – assessee is a charitable institution, which was granted registration under Section 12AA(1)(b)(i) of the Income Tax Act, 1961 (for short, "the Act") vide order dated 26.06.2008 by the Director of Income Tax (Exemptions), Hyderabad. According to the petitioner, the trust was also granted approval under Section 10(23C)(vi) from the Assessment Year 2008-09 onwards vide order dated 13.02.2009 of the Chief Commissioner of Income Tax, Hyderabad-I. It was also granted approval under Section 80G(5)(vi) of the Act vide order dated 26.06.2008 by the Director of Income Tax (Exemptions), Hyderabad. Such approvals were extended upto the Assessment Year 2026-27 as per order dated 24.09.2021 in Form 10AC. Similar approval under Section 80G(5)(vi) of the Act was also extended for the same period vide order dated 17.11.2021. Hence, according to the petitioner, for assessment year 2023-24 the assessee trust was in possession of valid approval under Section 10(23C)(vi) of the Act. The Assessing Officer vide order dated 06.03.2025 determined the total income of Rs.48,86,37,677/- as against Nil income raising a demand of Rs.25,86,36,931/-. Being aggrieved, the petitioner preferred an appeal against the said assessment order before

the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), which is pending. As per the Assessing Officer at para 3.3.3 of the order dated 06.03.2025, the addition has been made for the sole reason, which reads as under:

> "Therefore, under these circumstances, in the absence of copy of approval u/s 10(23C)(vi), the total income of the assessee is assessed at Rs.48,86,37,677/- as exemption claimed amount for Rs.48,86,37,677/- sections 12A/12AB/35(1)(ii)/(iia)/(iii), 10(23C) is disallowed for the relevant year."

4. The petitioner therefore has contested the addition as factually incorrect. According to the petitioner, since the assessment is a high pitched assessment, a petition has also been filed before the High Pitched Assessment Committee on 19.06.2025. Referring to the aforesaid facts an application for stay of collection of demand was made before the Commissioner of Income Tax (Exemption) Hyderabad vide application dated 20.08.2025 till disposal of the appeal which has been rejected by the impugned order.

5. It is submitted that the Commissioner of Income Tax (Exemption) Hyderabad has by a cryptic order directed the petitioner to pay an amount of Rs.3,87,00,000/- on or before 08.09.2025 by order dated 30.08.2025 and produce copies of

challans before the Assessing Officer failing which the Assessing Officer will be at liberty to initiate coercive recovery proceedings under Section 226(3) of the Act without any further communication. It is submitted that respondent No.2–Commissioner of Income Tax (Exemptions) has not dealt with any of the grounds urged for stay of the demand. Therefore, the petitioner being aggrieved has approached this Court.

6. Learned counsel for the respondents has supported the impugned order. It is submitted that respondent No.1 has taken into consideration the decisions rendered by the jurisdictional High Courts and held it to be applicable to the facts and circumstances of the case of the petitioner. Therefore, no blanket stay of the demand has been granted. The petitioner has instead been asked to deposit Rs.3,87,00,000/- as per Corrigendum dated 15.09.2025. However, learned counsel for the respondents has not been able to dispute that the specific grounds urged by the petitioner in the stay application have not been dealt with by respondent No.2 – Commissioner of Income Tax (Exemptions) in the impugned order.

7. We have considered the submissions of the learned counsel for the parties.

8. The impugned order has been quoted hereinabove. The grounds urged by the petitioner in the stay application are annexed to the writ affidavit. As noted above, respondent No.2 has failed to deal with the specific grounds urged by the petitioner in the impugned order, except relying upon the decision of this Court and the High Court of Andhra Pradesh which, in his opinion, were relevant to the facts and circumstances of the case of the petitioner. As such, we are of the opinion that the impugned order lacks reasons and application of mind to the specific grounds urged by the petitioner in the stay application.

9. In that view of the matter, we are inclined to remit the matter to respondent No.2 to take a fresh decision on the stay application of the petitioner in accordance with law within a period of four weeks from the date of receipt of a copy of this order, after giving an opportunity of being heard to the petitioner. The impugned order, dated 30.08.2025 read with 15.09.2025, is accordingly set aside.

10. The writ petition is accordingly disposed of. However, there shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/-A. SRINIVASA REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Assessment Unit, Income Tax Department, National e- Assessment Center, Room No.401, 2ndFloor, E-Ramp, Jawaharlal Nehru Stadium, New Delhi-110 003.
2. The Commissioner of Income Tax (Exemptions), 2nd Floor, Aayakar Bhavan, Basheerbagh, Hyderabad, Telangana.
3. The Principal Chief Commissioner of Income Tax (Exemptions), R.No 2504, E-2, Block 25th Floor, Civic Centre, New Delhi.
4. The Secretary, Union of India, Ministry of Finance, Government of India, North Block, New Delhi-110 001.
5. One CC to Ms. AKRUTI AGARWAL Advocate [OPUC]
6. One CC to SRI. VIJHAY K PUNNA Advocate [OPUC]
7. One CC to SRI. N. BHUJANGA RAO, DY. SOLICITOR GENERAL OF INDIA [OPUC]
8. Two CD Copies

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HIGH COURT

DATED:15/10/2025



ORDER

WP.No.30468 of 2025

DISPOSING OF THE WRIT PETITION
WITHOUT COSTS

(10)

kgr
3/11/25