

HIGH COURT FOR THE STATE OF TELANGANA

MAIN CASE: ITTA No.105 of 2026

PROCEEDINGS SHEET

Sl. No.	Date	ORDER	OFFICE NOTE
1.	02.07.2026	<u>PSK,J & NNR,J</u> Counsel for the appellant : Mr. N.Praveen Reddy, learned Senior Standing Counsel for the Income Tax Department Counsel for the respondent : Mr.A.V.Raghuram <u>ITTA No.105 of 2026</u> Heard on admission. The appeal is admitted on the following substantial questions of law: 1. Whether, on the facts and in the circumstances of the case and in law, the order of the ITAT is perverse in holding that "Birla Shakthi Cement Pocket Diary" as a dumb document despite the fact that it records substantial cash transactions that aligned with the period during which capitation fees were being collected in excess of the prescribed limits thereby giving rise to Substantial Question of Law in view of the ratio laid down by the Hon'ble Supreme Court in Sudarshan Silk & Sarees v. CIT 300 ITR 205? 2. Whether, on the facts and in the circumstances of the case and in law, the order of the ITAT is perverse in quashing the order passed by the PCIT(Central) despite the department had obtained evidences during search operations suggesting non-genuine charitable activities or income misapplication and detailed findings and elaborate reasoning in the order passed u/s 12AB(4) of the Act, thereby giving rise to Substantial Question of Law in view of the ratio laid down by the	Transferred to i/o folder, before corrections, if any.

		Hon'ble Supreme Court in Sudarshan Silk & Sarees v. CIT 300 ITR 205? 3. Whether the ITAT was legally correct in setting aside the cancellation on the ground that the society was an educational institution, while failing to address the Revenue's evidence that the society was violating material laws and applying income for non-charitable purposes discovered during the search when search evidence clearly established a diversion of funds u/s 13(1)(c) r.w.s.13(3) of the Act? Let notice be issued to the respondent. List the appeal for final hearing in usual course. <u>PSK,J</u> <u>NNR,J</u>	
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