

India Delhi High Court Halts Income Tax Department's Move to Revoke CHRI's Charitable Status

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— Categories: Human Rights



In a significant legal development, the Delhi High Court has provided relief to the Commonwealth Human Rights Initiative (CHRI) by setting aside a notice issued by the Income Tax Department that sought to cancel the NGO's registration as a charitable institution under the Income Tax Act.

The bench, comprising Justices V Kameswar Rao and Vinod Kumar, allowed CHRI's petition, effectively halting the department's move. The Income Tax Department had issued the notice under Section 12AB(4)(a) of the Income Tax Act, which pertains to the revocation of registration for charitable institutions in cases of specified violations. The department cited CHRI's earlier cancellation of Foreign Contribution Regulation Act (FCRA) registration by the Ministry of Home Affairs (MHA) as the basis for this action.

However, CHRI contested this, arguing that the FCRA cancellation was still under challenge in the High Court and had not attained finality. They contended that, without a final adjudication on the FCRA matter, it could not be considered a "specified violation" under the Income Tax Act.

The court agreed with CHRI's argument, emphasizing that the FCRA cancellation was still sub judice and thus could not be used as a basis for revoking the NGO's charitable status. Consequently, the court set aside the Income Tax Department's notice and allowed CHRI to continue operating as a registered charitable organization.

This ruling underscores the judiciary's role in ensuring that administrative actions align with legal principles and due process, particularly concerning organizations engaged in public service and advocacy.

The case's outcome also highlights the ongoing legal scrutiny of the FCRA cancellation, with the next hearing scheduled for September 14. The final decision on the FCRA matter will have significant implications for CHRI's ability to receive foreign contributions and continue its human rights initiatives.

For now, CHRI has been granted a temporary reprieve, allowing it to maintain its charitable activities without the immediate threat of losing its registration under the Income Tax Act.

Other non-governmental organizations in India closely watch this development, as it may set a precedent for how similar cases are handled in the future, balancing regulatory oversight with the rights of organizations to operate without undue interference.