

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "डी", अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
"D" BENCH, AHMEDABAD

सुश्री सुचित्रा काम्बले, न्यायिक सदस्य एवं
श्री मकरंद वसंत महादेवकर, लेखा सदस्य के समक्ष।

BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER
AND
SHRI MAKARAND V. MAHADEOKAR, ACCOUNTANT MEMBER

आयकर अपील सं/ITA Nos. 94 & 95/Ahd/2025
निर्धारण वर्ष /Assessment Year : NA

Shri Shenalma Gaushala Trust Motamesara, Tharad, Banaskantha, Gujarat - 385565	बनाम/ v/s.	The Commissioner of Income Tax (Exemption) Ahmedabad
स्थायी लेखा सं./PAN: AASTS9381C		

अपीलार्थी/ (Appellant)	प्रत्यर्थी/ (Respondent)
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Assessee by :	Shri Samir Vora, AR
Revenue by :	Shri Durga Dutt, CIT.DR

सुनवाई की तारीख/Date of Hearing : 05/06/2025
घोषणा की तारीख /Date of Pronouncement: 10/06/2025

आदेश/ORDER

PER MAKARAND V. MAHADEOKAR, AM:

These two appeals by the assessee are directed against the separate orders passed by the learned Commissioner of Income Tax (Exemption), Ahmedabad [hereinafter referred to as "CIT(Exemption)"] rejecting the applications for registration under section 12A(1)(ac)(iii) and for approval under section 80G(5)(iii) of the Income-tax Act, 1961 [hereinafter referred to as "the Act"] and cancelling the provisional approvals earlier granted. Since common facts and grounds are involved, both appeals are heard together and disposed of by this consolidated order.

Condonation of Delay

2. The registry noted delay in filing both the appeals before us. The appeals are accompanied by applications under section 253(5) of the Act seeking condonation of delay. Details of such delay are as follows -

Appeal	Order Appealed Against	Date of Order of CIT(E)	Due Date for Appeal	Date of Filing before us	Delay (Days)	Delay Noted by Registry
ITA No. 94/Ahd/2025	Rejection under Section 12A(1)(ac)(iii)	03.09.2024	02.11.2024	13.01.2025	72	44 Days
ITA No. 95/Ahd/2025	Rejection under Section 80G(5)(iii)	14.10.2024	13.12.2024	13.01.2025	31	13 Days

3. The assessee has explained the delay in filing both the appeals by narrating a set of genuine and convincing circumstances. It is submitted that the trust is located in a remote rural area, namely *Motamesara, Tharad*, where internet connectivity and access to departmental communications is limited. The trustees of the assessee trust, being local residents, are not conversant with taxation procedures or the use of the income-tax portal, and hence the responsibility for compliance with statutory filings and correspondence was entrusted to a tax consultant based at Palanpur, which is the nearest urban centre. It was only upon a visit to the consultant's office and a subsequent check on the income-tax e-filing portal that the trustees came to know that both the applications filed by the trust under section 12A(1)(ac)(iii) and section 80G(5)(iii) had already been disposed of by the CIT(Exemption), Ahmedabad, due to alleged non-compliance. Thereafter, the assessee, upon being made aware of such adverse orders, promptly initiated the process of filing appeals, and the same were filed at the earliest possible date with the assistance of the tax consultant. The assessee has also filed a notarised affidavit of Shri Kanjibhai Virabhai Kag, one of the trustees of the assessee

trust, affirming the facts surrounding the delay and verifying the *bonafide* reasons narrated therein.

4. Considering the reasons explained and in the absence of objection from the learned Departmental Representative (DR), we are satisfied that the delay in both appeals was due to sufficient and *bonafide* cause. Accordingly, the delay in filing both appeals is condoned.

Brief Facts of the Case

5. As stated in the statement of facts, the assessee, is a public charitable trust duly constituted by a Trust Deed dated 24.05.2016 and registered under the Gujarat Public Trust Act, 1950, at registration number E/1524/BK dated 20.06.2016. The main objectives of the trust include establishing and maintaining a *Gaushala* (cowshed) for the welfare of stray animals, providing fodder and medical treatment, and related charitable activities. The trust maintains regular books of account and other records, which are subjected to audit in accordance with the applicable laws. Pursuant to the expiry of its provisional registration, the assessee had filed a fresh application in Form 10AB for registration under section 12A(1)(ac)(iii) of the Income-tax Act, 1961. However, the said application was rejected by the CIT(Exemption), Ahmedabad vide order dated 03.09.2024 on the ground that the assessee had failed to respond to the notices of hearing issued earlier. Similarly, the assessee had also filed a fresh application in Form 10AB for approval under section 80G(5)(iii) of the Act. That application too was rejected by the CIT(Exemption) vide separate order dated 14.10.2024, citing identical reasons of non-response and failure to establish genuineness of activities and compliance with statutory conditions.

6. In both cases, the CIT(Exemption) had issued notices dated 02.07.2024 and 05.08.2024 (for section 12A) and 11.07.2024 and 13.08.2024 (for section 80G) calling for supporting documents and compliance, but due to circumstances explained by the assessee – including the rural location of the trust, the lack of technological access, and dependence on external consultants – no response could be filed within the stipulated time.

7. The assessee contended that it had previously received orders dated 01.11.2023 and 07.12.2023 rejecting earlier applications under section 12A and 80G due to technical reasons. However, in view of *CBDT Circular No. 7/2024 dated 25.04.2024*, permitting reapplication before 30.06.2024, the assessee had again filed fresh applications in time. Despite this, the CIT(Exemption) passed impugned orders cancelling even the provisional registration/approval without giving an effective opportunity of hearing.

8. Aggrieved by the orders of CIT(E), the assessee filed the present appeals before us raising following grounds of appeal:

In ITA No.94/AHD/2025

- 1.1 *The order passed u/s.12A on 03.09.2024 by CIT(Exem), Ahmedabad rejecting the application for registration of the appellant trust u/s 12A(1)(ac)(iii) of the Act and cancelling the provisional approval by holding that in absence of details furnished by the appellant trust, the requirements of Rule 17A(2) cannot be verified is wholly illegal, unlawful and against the principles of natural justice.*
- 2.1 *The ld. CIT(Exem), has grievously erred in law and or on facts in not allowing sufficient opportunity to respond to the notices of furnishing details/documents. There was gross violation of the principles of natural justice. That the in the facts and circumstances of the Id. CIT(Exem), ought to have appreciated that there was a sufficient cause for failure to respond to the notices for filing details/documents.*
- 3.1 *The ld. CIT(Exem), has grievously erred in law and or on facts in rejecting the registration of the appellant trust u/s 12A(1)(ac)(iii) of the Act and cancelling the provisional approval.*
- 3.2 *That the in the facts and circumstances of the ld. CIT(Exem), ought not to have rejected the application for registration by ignoring the evidence on record with the application for registration and past records.*

It is, therefore, prayed that the rejection of the application for approval u/s 12A(1)(ac)(iii) and cancellation of the provisional approval by the CIT(Exem), may kindly be deleted.

In ITA No.94/AHD/2025

- 1.1 *The order U/s. 80G(5)(iii) passed on 14.10.2024 by CIT(Exem), Ahmedabad rejecting the application for approval u/s 80G(5)(iii) and cancelling the provisional approval by holding that in absence of details furnished by the appelland trust, the requirements of Rule 11AA(2) cannot be verified is wholly illegal, unlawful and against the principles of natural justice.*
- 2.1 *The ld. CIT(Exem), has grievously erred in law and or on facts in not allowing sufficient opportunity to respond to the notices of furnishing details/documents. There was gross violation of the principles of natural justice.*
- 2.2 *That the in the facts and circumstances of the ld. CIT(Exem), ought to have appreciated that there was a sufficient cause for failure to respond to the notices for filing details/documents.*
- 3.1 *The ld. CIT(Exem), has grievously erred in law and or on facts in rejecting the application for approval of the appelland trust u/s 80G(5)(iii) of the Act and cancelling the provisional approval.*
- 3.2 *That the in the facts and circumstances of the ld. CIT(Exem), ought not to have rejected the application for approval by ignoring the evidence on record with the application for registration.*

It is, therefore, prayed that the rejection of the application for approval u/s 80G(5)(iii) and cancellation of the provisional approval by the CIT(Exem), may kindly be deleted.

9. The learned Authorised Representative (AR) with the help of statement of facts submitted that the assessee trust is a duly constituted public charitable trust, registered under the Gujarat Public Trust Act since the year 2016. The primary objects of the trust are wholly charitable in nature, aimed at running a *gaushala* for the welfare, upkeep, and treatment of stray cattle and other animals, which are in furtherance of public and religious utility. It was submitted that the trust operates from a remote rural location where access to reliable internet infrastructure is severely limited. Consequently, the trustees, being laypersons not well-versed with technical procedures or the e-filing portal, were unable to effectively respond to the notices issued by the CIT(Exemption). The non-compliance, therefore, was not wilful but occurred due to practical and logistical constraints. The Authorised Representative

further pointed out that the audited financial statements and other foundational documents of the trust had already been submitted in earlier proceedings and were available on record before the CIT(Exemption). Despite this, the applications were rejected without drawing support from the available material. It was also brought to the attention of the Bench that the assessee had availed the opportunity extended by CBDT Circular No. 7/2024 dated 25.04.2024, which permitted fresh filing of applications before 30.06.2024 in cases of earlier rejection. The assessee had duly complied by filing fresh applications within the time permitted. However, both the impugned rejections were again passed without proper appreciation of facts or granting effective opportunity, rendering the action unjust and technical in nature. In view of the above submissions, the learned AR prayed that the impugned orders may be set aside and both matters be restored to the file of the CIT(Exemption), Ahmedabad for de novo adjudication on merits after affording reasonable opportunity of being heard.

10. The learned DR did not object to the proposal for restoration of the matters to the CIT(Exemption) for fresh consideration.

11. We have heard the rival contentions and carefully examined the material available on record. The rejection of the applications by the CIT(Exemption) in both cases is founded solely on procedural grounds—namely, the assessee's failure to respond to the statutory notices issued for furnishing requisite details and documents. However, the assessee has offered a credible and reasonable explanation for such non-compliance, citing genuine constraints owing to its rural location and lack of access to digital infrastructure. The delay and default, as demonstrated, were neither deliberate nor contumacious.

12. It is also noteworthy that the appeals were filed promptly upon the assessee discovering the adverse orders through its consultant, reflecting bona fide conduct. Further, the trust had already placed on record its audited financial statements and relevant documentary material in prior proceedings, which were available with the CIT(Exemption) at the time of deciding the applications. These facts lend credence to the assessee's case and reflect a serious intent to comply with the law.

13. Considering the overall circumstances and in the interest of substantial justice, we are of the considered view that the assessee deserves an effective opportunity of hearing. Accordingly, both impugned orders dated 03.09.2024 (under section 12A) and 14.10.2024 (under section 80G) passed by the CIT(Exemption), Ahmedabad, are hereby set aside. The matters are restored to the file of the CIT(Exemption) for de novo adjudication in accordance with law, after affording a reasonable and effective opportunity of being heard to the assessee trust.

14. We also direct that the assessee shall duly cooperate with the proceedings and shall comply with any notice or requisition issued by the CIT(Exemption) in the course of the reassessment of its applications.

15. In the combined result, both appeals are allowed for statistical purposes.

Order pronounced in the Open Court on 10th June, 2025 at Ahmedabad.

Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Sd/-
(MAKARAND V. MAHADEOKAR)
ACCOUNTANT MEMBER

अहमदाबाद/Ahmedabad, दिनांक/Dated 10/06/2025

S. K. Sinha, Sr. PS

True Copy

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.

3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)/Pr.CIT-1, Vadodara
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण , राजकोट/DR,ITAT, Ahmedabad,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण, ITAT, Ahmedabad