

IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT  
BEFORE MS SUCHITRA RAGHUNATH KAMBLE, JUDICIAL MEMBER &  
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.427 & 426/SRT/2025

(Assessment Years: 2024-25)

(Hybrid Hearing)

Goodwill Foundation Charitable Trust, A 102, Sky Heaven Ved Gurukul Road Ved, Surat - 395004	Vs.	The CIT(Exemption), Ahmedabad
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AADTG9648P		
(Appellant)		(Respondent)

Appellant by	Shri Harikrishna Gohil, AR
Respondent by	Shri Mukesh Jain, CIT-DR
Date of Hearing	09/06/2025
Date of Pronouncement	11/06/2025

**आदेश / ORDER**

**PER BIJAYANANDA PRUSETH, AM:**

These two appeals emanate from the order dated 07.11.2024 and 11.11.2024 passed by the learned Commissioner of Income-tax (Exemption), Ahmedabad [in short "CIT(E)"], wherein CIT(E) rejected assessee's application filed in Form No.10AB u/s 12A(1)(ac)(iii) of the Income-tax Act (in short 'the Act') and also cancelled the provisional registration granted earlier. Since application for registration u/s 12A(1)(ac)(iii) was rejected, application for approval u/s 80G(5)(iii) of the Act was also rejected. Since the assessee as well as the assessment year in these two appeals are same, with the consent of both parties, the appeals are clubbed and heard

together and are decided by passing a common order for the sake of convenience and brevity.

2. The grounds of appeal raised by the assessee in ITA No.427/SRT/2025 are as follows:

*“(1) Applicant runs diagnostics center in Surat and does not have full time accountant for daily and weekly email checks. Consequently, due to oversight, applicant missed the deadline to reply CIT(E) Notice dated 01/10/2024 and therefore, Application under Section 12AA filed in Form 10AB was rejected by the hon'ble CIT(E). The Applicant respectfully requests the Honorable Judge to direct the CIT (Exemptions) to reconsider the application in the interest of the public.*

*(2) That on facts, and in law, the registration ought to have been granted u/s 12AA of the Act as prayed for.*

*(3) The appellant craves leave to add, alter and amend any ground of appeal.”*

3. The appeals filed by the assessee are late by 90 and 86 days in terms of provisions of section 253(3) of the Act. These appeals were required to be filed within 60 days, i.e. on or before 07.01.2025 and 11.01.2025 respectively, however, the assessee-trust filed both appeals on 09.04.2025 before this Tribunal. The assessee has filed affidavits giving similar reasons for delays in filing both appeals before this Tribunal. In the affidavit, the assessee stated that the trust was registered in the Office of the Charity Commissioner, Surat on 06.10.2021 with Registration No.E/9234/Surat. The main object of the trust was run to diagnostics services center. The trust had applied provisional registration u/s 12AA of the Act in Form 10A on 27.10.2021. The trust received provisional registration 12A(1)(ac)(vi) of the Act in Form 10AC for AY.2022-23 to 2024-25 as on 03.11.2021 and got

provisional registration no. AADTG9648PE20212. The certificate of registration shall be renewed on or before six months, i.e., on or before 30.09.2024. The assessee-trust did not have full-time accountant to check the e-mail regularly. Consequently, due to oversight, the trust missed the deadline to reply to CIT(E) on 01.10.2024 and it was not aware of rejection of application u/s 12AA filed in Form 10AB of the Act. Therefore, there were delays of 90 and 86 days in filing appeals. The assessee-trust requested for admission of both appeals in the interest of justice and also in the interest of public, who avail the diagnostics services.

4. On the other hand, the learned Commissioner of Income-tax - Departmental Representative (Id. CIT-DR) for the revenue submitted that the Tribunal may decide the case as it things fit.

5. We have heard both parties on this preliminary issue and find that the delay of 90 and 86 days in filling appeals, was neither intentional nor deliberate. The reasons given in the affidavit for condonation of delays would constitute "sufficient cause" for delay in filing these appeals. We, therefore, condone the delay and admit both appeals for hearing.

6. The facts of the case in brief are that the assessee filed an application for approval under sub-clause (iii) of clause (ac) of sub-section (1) of section 12A of the Act. The CIT(E) issued two notices on 25.07.2024 and 01.10.2024 respectively. The assessee-trust had been granted provisional approval in Form 10AC under sub-clause (vi) of clause (ac) of sub-section (1) of section

12A of the Act on 03.11.2021 for AY.2022-23. The applicant was requested to submit certain details/documents vide notice dated 25.07.2024. The assessee filed part details vide its reply dated 19.04.2024 and 03.09.2024. Further, a notice dated 01.10.2024 was issued wherein the assessee was again requested to submit requisite details on or before 08.10.2024. In response to the notice, the assessee remained silent and has neither filed any submission nor sought any adjournment. The CIT(E) observed that in addition to the requisite details/documents called for vide notices issued by him, the assessee had also failed to furnish details such as bills/vouchers/ledger of expenses and receipts for FY.2021-22 to 2023-24 to ascertain the genuineness of activities of the trust. The CIT(E) relied on the decisions of Hon'ble Supreme Court in case of CIT vs. Dawoodi Bohra Jamat, in Civil Appeal No.2492 of 2014 and M/s New Nobel Educational Society, in Civil Appeal No.3795 of 2014. The CIT(A) has observed that due to failure of assessee to file documentary evidences; he was unable to be satisfied about (i) genuineness of the activities of the institution, (ii) that the activities of trust or institution are in consonance with the objects of the trust or institution and (iii) that other laws material for the purpose of achieving objects are complied with. The CIT(E) rejected the application filed in Form 10AB for approval u/s 12A(1)(ac)(iii) of the Act and also cancelled the provisional registration granted earlier.

7. Aggrieved by the order of CIT(E), the assessee filed appeal before the Tribunal. The learned Authorized Representative (Id. AR) submitted that as the case has been decided without considering the merit of the case, the matter may be set aside to the file of CIT(E) for considering the case afresh on merit. He submitted that the *ex parte* order by CIT(E) is clearly violative of the principles of natural justice. He submitted that the assessee is now ready with all details in support of the application filed by it. He, therefore, requested that in the interests of justice, one more opportunity should be given to the assessee to plead its case on merit before the CIT(E).

8. On the other hand, the learned Commissioner of Income-tax - Departmental Representative (Id. CIT-DR) for the revenue supported the order of CIT(E). He would, however, have no objection if the matter is remitted to the file of CIT(E) for fresh adjudication.

9. We have heard both parties and perused the materials available on record. The CIT(E) issued two notices on 25.07.2024 and 01.10.2024 but there was only part compliance from the assessee. The CIT(E) has observed that the assessee failed to file documentary evidence to enable him to satisfy about the genuineness of the activities of the trust and whether the activities are in consonance with the objects of the trust. The Id. AR has contended before us that the assessee is ready to submit all details and evidences needed by the CIT(E) and one more opportunity may be given to the assessee. We find that assessee could not pursue his case before the

CIT(E) by filing necessary evidences and documents. We are of the view that one more opportunity should be given to the assessee to file relevant documents/evidences and to plead his case before the CIT(E). It is settled law that principles of natural justice requires that the affected party is granted sufficient opportunity of being heard to contest his case. Therefore, without delving much into the merits of the case, in the interest of justice, we set aside the order of CIT(E) and remit the matter back to the file of CIT(E) with a direction to pass *de novo* order in accordance with law after granting adequate opportunity of hearing to the assessee. The assessee is directed to be more vigilant and diligent and to furnish all the details and explanations as needed by the CIT(E) by not seeking adjournment without valid reasons. With these directions, the grounds of appeal are allowed for statistical purposes.

10. In the result, appeal of the assessee is allowed for statistical purpose.

**ITA No.426/SRT/2024 (AY:2024-25):**

11. The grounds of appeal raised by the assessee in ITA No.426/SRT/2024 are as follows:

*“(1) Applicant runs diagnostics center in Surat and does not have full time accountant for daily and weekly email checks. Consequently, due to oversight, applicant missed the deadline to reply CIT(E) Notice dated 01/10/2024 and therefore, Application under Section 12AA filed in Form 10AB was 1 rejected by the hon'ble CIT(E). Due to non approval of Order under Section 12AA of the Income Tax Act, 1961, application under Section 80G filed in Form 10AB was rejected by CIT (E). The Applicant respectfully requests the Honorable Judge to direct the CIT (Exemptions) to reconsider the application in the interest of the public.*

*(2) That on facts, and in law, the registration ought to have been granted u/s 80G of the Act as prayed for*

*(3) The appellant craves leave to add, alter and amend any ground of appeal.”*

12. In this appeal, the application for approval under clause (iii) of first proviso to sub-section (5) of section 80G of the Act was filed in Form 10AB electronically. The CIT(E) has issued only one notice of hearing, i.e., on 02.08.2024. The CIT(E) observed that applicant did not have any valid order for registration u/s 12A(1)(ac)(iii) of the Act in Form 10AD because the application u/s 12A(1)(ac)(iii) of the Act was already rejected. The CIT(E) has relied on the decision of Hon'ble Gujarat High Court in case of CIT(E) vs. Shree Tapeswar Hanumanji Bajrang Charity Trust, 122 taxmann.com 98 and held that the registration u/s 12A of the Act is a pre-requisite for grant of approval u/s 80G of the Act. In absence of valid registration u/s 12A of the Act, approval u/s 80G of the Act was also rejected without deciding on merit.

13. On the other hand, Id. CIT-DR for the revenue relied on the order of CIT(E).

14. We have heard both parties and perused the materials available on record. We have already set aside the order of CIT(E) in rejecting application for registration u/s 12A(1)(ac)(iii) of the Act in ITA No.427/SRT/2025 cited above. Hence, following the reasons given in ITA No.427/SRT/2025 (supra), the order of CIT(E) is also set aside and remitted to the file of CIT(E) for fresh

order after decisions the application u/s 12A(1)(ac)(iii) and after granting reasonable and sufficient opportunity of being heard to the appellant. For statistical purposes, this appeal of the assessee is also treated as allowed.

15. In the result, appeal of the assessee is also allowed for statistical purposes.

16. In the combined result, appeals of the assessee are allowed for statistical purposes.

Orders are pronounced under provision of Rule 34 of ITAT Rules, 1963 on 11/06/2025.

**Sd/-**  
**(SUCHITRA R. KAMBLE)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(BIJAYANANDA PRUSETH)**  
**ACCOUNTANT MEMBER**

Surat

दिनांक/ Date: 11/06/2025

SAMANTA

**Copy of the Order forwarded to:**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, Surat
6. Guard File

// TRUE COPY //

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Surat