

**IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT
BEFORE DINESH MOHAN SINHA, JUDICIAL MEMBER AND
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER
ITA Nos.1324 & 1323/SRT/2024
(Hybrid Hearing)**

Lok Mangal Sarvangi Trust, 96, Tekri Faliyu, Kabirgam, Chasvad, B.O. Zarna, Bharuch – 393130, Gujarat	Vs.	The CIT(Exemption), Ahmedabad
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AACTL0675N		
(Appellant)		(Respondent)

Appellant by	Shri Yogesh B. Shah, AR
Respondent by	Shri Ravi Kant Gupta, CIT-DR
Date of Hearing	07/08/2025
Date of Pronouncement	13/08/2025

आदेश / ORDER

PER BIJAYANANDA PRUSETH, AM:

These two appeals emanate from the separate orders dated 09.10.2024 and 06.11.2024 passed by the Commissioner of Income-tax (Exemption), Ahmedabad [in short "CIT(E)"], wherein CIT(E) rejected assessee's application for registration 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.

2. The grounds of appeal raised by the assessee in ITA No.1324/SRT/2024 are as follows:

"(1) The learned CIT (Exemption) Ahmedabad has erred in passing order of rejection in Form No.10AD which is non speaking and stereo typed order.

(2) The learned CIT has passed the order without taking into consideration the merits.

(3) The learned CIT has passed the order of rejection without taking into consideration the activities undertaken by the Trust and without taking into consideration the hardships that may be caused by non granting of registration to the Trust.

(4) The learned CIT has erred in rejection the registration of a Trust which is engaged in rural tribal area of Bharuch District where people are always in keen need of education and health services.

On the facts and in the circumstances of the case, the learned CIT (Exemption) should grant the registration to the trust, exclusively established for ultimate section of poor people.

(5) The Appellant maybe permitted to rectify, to modify to withdraw any grounds of appeal, duly raised and to raise new grounds of appeal during the appellate proceeding.”

3. The brief facts of the case are that The CIT(E) issued notices on 20.07.2024 and 23.08.2024. The assessee had been earlier granted provisional registration in Form 10AC under clause (vi) of clause (ac) of sub-section (1) of section 12A on 02.10.2021 from AY 2022-23. The CIT(E) observed that the assessee had also filed an application for registration u/s 12A(1)(ac)(iii) of the Act in Form 10AB on 21.08.2023. In response, the order of rejection under Form 10AD had already been passed on 21.02.2024 for cancelling the provisional registration. The CIT(E) further observed that the present appeal was not covered by para 4.1 of CBDT Circular No.7 of 2024, dated 25.04.2024. He rejected the provisional registration in Form 10AB u/s 12A(a)(ac)(iii) of the Act and treated as non-maintainable.

4. Aggrieved by the order of CIT(E), the assessee filed appeal before this Tribunal. The learned Authorized Representative (Id. AR) submitted that this

trust had been established with objectives to serve all people irrespective of their religion, caste, faith, income level etc. in the fields of education, health service. The Trust is registered with Charity Commissioner's office at Bharuch at No. F.11885/Bharuch. He submitted that the CIT(E) issued only two notices of hearing on 20.07.2024 and 23.08.2024. The 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). He submitted that the order passed by CIT(E) is clearly violative of the principles of natural justice. He 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).

5. 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 matter as it thinks fit.

6. We have heard both parties and perused the materials available on record. The CIT(E) had issued only two notices of hearing. The Id. AR has contended that the assessee could not plead its case before the CIT(E), though various details had been filed with the Form 10AB. He submitted that the appellant 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 its case effectively 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 its 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 fresh 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.

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

ITA No.1323/SRT/2024:

8. The grounds of appeal raised by the assessee are as follows:

“(1) The learned CIT(Exemption) erred in rejecting application filed in 10AB u/s.80G(5) on the Act.

On the facts and in the circumstances of the case, the said authority ought to have accepted the same and grant the approval u/s.80G(5) of the Act.

(2) The learned CIT(Exemption) Ahmedabad erred in deciding our application in Form 10AB u/s.80G(5) of the Act not on merits of the case.

On the facts and in the circumstances of the case, the same should be decided on merits.

(3) The appellant may be permitted to rectify, modify, withdraw any grounds of appeal, duly raised and to raise new grounds of appeal, during the course of appellate proceedings.”

9. In ITA No.1323/SRT/2024, the CIT(E) has issued only one notice of hearing was issued on 27.07.2024. Since application of the assessee filed in Form 10AB for registration u/s 12A(1)(ac)(iii) was rejected vide order dated 21.02.2024 by the CIT(E), the CIT(E) proceeded to dismiss the appeal by observing that the assessee did not have any valid registration u/s 12A of the

Act. We have already set aside the order of the CIT(E) wherein he rejected the application of registration of trust in ITA No.1324/SRT/2024 (supra). This is a related appeal. Hence, the order of CIT(E) is also set aside and restored to the file of CIT(E) for de novo order after granting reasonable and sufficient opportunity of being heard to the assessee. For statistical purposes, the appeals of the assessee are treated as allowed.

16. In the result, the appeals filed by the assessee are allowed for statistical purposes.

Order is pronounced under provision of Rule 34 of ITAT Rules, 1963 on 13/08/2025.

Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER

Sd/-
(BIJAYANANDA PRUSETH)
ACCOUNTANT MEMBER

Surat

दिनांक/ Date: 13/08/2025

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