

आयकर अपीलिय न्यायाधिकरण में, हैदराबाद 'ए' बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' A ' Bench, Hyderabad

श्री मंजूनाथ जी, माननीय लेखा सदस्य एवं श्री रवीश सूद, माननीय न्यायिक सदस्य
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER

आयकर अपील सं./I.T.A.No.716/Hyd/2025
(निर्धारण वर्ष/ Assessment Year: 2025-26)

Yug Nirman Yojana Gayatri Pariwar Trust, Berhampur, Odisha. PAN : AAATY7139A	Vs.	The Commissioner of Income Tax, (Exemption) Hyderabad.
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri Santosh Kumar Sabat, C.A.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri U. Mini Chandran, CIT-DR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	20.08.2025
घोषणा की तारीख/ Date of Pronouncement	:	26.08.2025

ORDER

प्रति रवीश सूद, जे.एम./PER RAVISH SOOD, J.M.

The present appeal has been filed by the assessee trust against the order passed by the Commissioner of Income Tax (Exemptions) [hereinafter referred to as "CIT(Exemptions)"], dated

28.02.2025 rejecting its application filed in “Form No. 10AB” for regular registration under Section 12AB of the Income-tax Act, 1961 (for short, “the Act”).

2. The assessee trust has assailed the order passed by the CIT(Exemption) declining its application for regular registration u/s 12AB of the Act on the following grounds of appeal before us:

“1. The Id. Commissioner of Income Tax (Exemptions), Hyderabad has erred in law and on facts in rejecting the application for grant of approval under section 12AB of the Act.

2. The CIT (Exemption) has ignored the objective and activities of the society towards charitable objects and ignoring the fact that the provisional registration under Sub clause (vi) of clause (ac) of section 12A(1) has been granted to the appellant society which is arbitrary and uncalled for.

3 That, the Appellant craves leave and reserves its rights to vary, amend, alter and/or add to the grounds of appeal and to produce other documentary evidences as may be necessary at the time of hearing of the appeal.

4 That it is prayed, the rejection of 80G order may be deleted in the interest of justice and equity for which the appellant shall as in duty bound ever pray.”

3. Succinctly stated, the assessee trust was granted provisional registration by the CPC, Bengaluru in “Form 10AC” dated 04.04.2022 valid for three assessment years i.e. AY 2022-23 to 2024-25.

4. Subsequently, the assessee trust filed an application in “Form 10AB” on 05.08.2024 seeking regular registration under Section 12AB of the Act.

5. In response, the CIT (Exemptions) initiated proceedings under Section 12A(1)(ac)(iii) of the Act and issued notices dated 10.10.2024 and 24.12.2024, to which the assessee trust responded with complete documentation and clarifications. However, the CIT (Exemptions), vide his impugned order dated 28.02.2025, rejected the application for the reason that the same was filed beyond the limitation period prescribed under the Finance Act, 2020, as per which the assessee trust should have applied in “Form 10AB” for regular registration u/s 12AB, at least six months before the expiry of provisional registration or within six months from the date of commencement of activities, whichever is earlier. Also, the CIT(Exemption) observed that the assessee trust had even failed to file the application upto 30.06.2024 as was extended as per the CBDT Circular No. 7/2024 dated 25-04-2024. Accordingly, the CIT (Exemption) held the

application filed by the assessee trust for regular registration on 05.08.2024 as barred by limitation.

6. Ostensibly, the assessee trust has assailed the order passed by the CIT(Exemption) for its regular registration under Section 12AB of the Act based on its multi-facet grounds, viz. (i). the CIT(Exemption) had grossly erred in law and facts of the case in mechanically rejecting the application without affording any opportunity to the assessee trust to explain the delay; (ii). the issuance of notices by the CIT (Exemption) even after the expiry of the limitation period, thereby gave rise to a bona fide belief to the assessee trust that its application was valid and accepted; (iii). that the CIT(Exemption) had not drawn any adverse findings on the merits or documents filed by the assessee trust; and (iv). that the CIT (Exemption) has failed to exercise the discretion vested with him under the proviso to Section 12A(1)(ac) for condoning the delay involved in the application filed by the assessee trust.

7. We have heard the Ld. Authorized Representatives for both parties, perused the order of the CIT(Exemption) and the judicial

pronouncements pressed into service by the Ld. AR to drive home his contentions.

8. Admittedly, the application for regular registration was filed by the assessee trust on 05.08.2024, i.e., beyond the extended due date of 30-06-2024 as per the CBDT Circular No.7/2024. However, we cannot remain oblivion of the fact that the CIT (Exemptions) had thereafter issued notices on 10-12-2024 and 24.12.2024, seeking additional details and documents to which the assessee trust had responded.

9. We are of firm conviction that the issuance of notices after the prescribed deadline, without any objection as to limitation at that stage, gave rise to an expectation and bona fide belief to the assessee trust that the delay had either been condoned or was not material. In our view, in the backdrop of the aforesaid facts, the CIT(Exemption) ought to have given the assessee trust an opportunity to explain the delay involved in filing of the application before him.

10. Apart from that, we find that the impugned order does not record any defect either in the activities or objects of the assessee trust or the documents submitted. Also, the bona fides of the assessee trust are not in dispute, and the delay in filing the application, in our considered view, prima facie, does not appear to be deliberate.

11. We find that the legislature in all its wisdom had vide the Finance Act, 2024 from 01.10.2024 made available on the statute a “Proviso” to Section 12A(1)(ac) that formally allows the CIT(Exemption) to condone the delay if reasonable cause is shown, which, thus, renders the application valid and deemed to be filed on time. We thus, in terms of our aforesaid deliberations, are of the considered view that the matter deserves to be restored to the file of the CIT (Exemptions), Hyderabad for fresh consideration. The assessee trust shall remain at liberty to file an application for the condonation of the delay involved in the filing of the present application in “Form 10AB” seeking regular registration under Section 12AB of the Act. The CIT (Exemptions), Hyderabad shall consider such application in accordance with the extant law and

dispose of the same after granting a reasonable opportunity of being heard to the assessee trust.

12. Resultantly, the impugned order dated 28.02.2025 is set aside and the matter is restored to the file of the CIT (Exemptions), Hyderabad for fresh adjudication, as per law.

13. In result, the appeal filed by the assessee trust is allowed for statistical purposes in terms of our aforesaid observations.

Order pronounced in the Open Court on 26th August, 2025.

Sd/- (मंजूनाथ जी) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER	Sd/-- (श्री रवीश सूद) (RAVISH SOOD) न्यायिक सदस्य/JUDICIAL MEMBER
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Hyderabad, dated 26.08.2025.
TYNM/sps

आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारिती/The Assessee	:	Yug Nirman Yojana Gayatri Pariwar Trust, Niladri Vihar 2 nd Line, Gate Bazar, Berhampur, Odisha – 760006.
2.	राजस्व/ The Revenue	:	CIT (Exemptions), Hyderabad.
3.	The Principal Commissioner of Income Tax (Exemption), Hyderabad		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / CIT-DR, ITAT, Hyderabad		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad