

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' DB-B ' Bench, Hyderabad

Before Shri Vijay Pal Rao, Vice-President
A N D

Shri Manjunatha, G. Accountant Member

S.No	ITA No	Appellant	Respondent
1	1043/Hyd/2025	Sri Kurumurthy Swamy Devasthanam, Mahbubnagar PAN: AAHTS2887G	CIT (Exemptions) Hyderabad
2	1044/Hyd/2025	-do-	-do-
3	1049/Hyd/2025	Sri Maisamma Devatna Ammavari Devasthanam Mahbubnagar PAN:AAMTS0357A	-do-
4	1050/Hyd/2025	-do-	-do-

निर्धारित द्वारा/Assessee by:		Shri K.A. Sai Prasad, CA
राजस्व द्वारा/Revenue by:		Dr. Narender Kumar Naik, CIT(DR)
सुनवाई की तारीख/Date of hearing:		04/09/2025
घोषणा की तारीख/Pronouncement:		10/09/2025

आदेश/ORDER

Per Vijay Pal Rao, Vice President

These are two set of 2 appeals filed by 2 assesseees against the 4 separate orders, all dated 21/03/2025 of the learned CIT (Exemptions), Hyderabad for the A.Y.2025-26 whereby the applications of 2 assesseees for registration u/s 12AB and approval u/s 80G were rejected.

2. There is a delay of 19 days in filing these 2 set of 2 appeals. The assesseees have filed their petition for condonation of

delay which are supported by the affidavits of the Executive Officer of the Endowment Department of the Devasthanams

3. We have heard the learned Counsel for the assessee as well as the learned DR on the condonation of delay. The learned Counsel for the assessee has submitted that all these matters were handled by one Tax Consultant and Auditor of the Society/Temples Shri U. Ravi Kumar, C.A. However, due to the busy schedule of the Authorized Signatory of the respective Temples, the appeal papers sent by the Tax Consultant could not be signed in time and sent back to the Tax Consultant for filing the appeals within the period of limitation. Thus, there was a minor delay of 19 days in filing the appeals in case of both the assessees. The learned Counsel for the assessee has submitted that the delay in filing these appeals is neither intentional nor deliberate but due to the reason that the concerned authorized persons to sign the appeal memo papers were not available at the relevant point of time and therefore there is a delay of 19 days in filing the appeals. He has pleaded that the delay in filing the appeals may be condoned.

4. On the other hand, the learned DR has not seriously objected to the condonation of the delay in filing these appeals.

5. We have considered the rival submissions and carefully perused the reasons explained by the assessees in the affidavits filed on behalf of Shri Kurumurthy Swamy Devasthanam and Sri Maisamma Devatna Ammavari

Devasthanam, Mahabubnagar. The affidavits filed by the Executive Officers of these Temples read as under:

ITA No.1044/Hyd/2025

I, Madhaneswar Reddy Chintala son of Chinna Maheshwar Reddy, Executive Officer of Sri Kurumurthy Swamy Devasthanam, #1-15, Ammapur Village, Chinna Chinthakunta Mandal, Mahabubnagar - 509110, Telangana India. Telangana, do hereby solemnly affirm and state as under:

I am the Executive Officer of Sri Kurumurthy Swamy Devasthanam and am well-versed with the facts of the case. In March 2025, we received an order from the learned CIT(E) rejecting the application filed under Sections 12A and 80G of the Income-tax Act, 1961. I handed over the said papers to the tax consultant of the temple, Shri U. Ravi Kumar, who in turn got the appeal papers prepared for filing before the Hon'ble Income Tax Appellate Tribunal (ITAT) through the tax consultant in Hyderabad.

Our tax consultant mailed the relevant papers. However, due to some technical problems, including lack of computer facilities at the temple office, the papers could not be downloaded and signed properly physically. Shri U. Ravi Kumar once again sent the papers for my signature. After signing the papers, they were duly sent back to him for filing the appeal before the Income Tax Appellate Tribunal (ITAT), Hyderabad.

The appeal before the Hon'ble Income Tax Appellate Tribunal (ITAT) filed on 19/06/2025, causing a delay of 19 days.

I state that the delay was neither willful nor intentional, but occurred solely on account of administrative and technical difficulties. It is therefore humbly prayed that the Hon'ble Tribunal may be pleased to condone the delay in the interest of justice.

ITA No.1050/Hyd/2025

I, Madhaneswar Reddy Chintala son of Chinna Maheshwar Reddy, Executive Officer of Sri Maisamma Devatna Ammavari Devasthanam, # Kakarlapad, Nawabpet Mandal, Mahabubnagar District – 509340, Telangana, do hereby solemnly affirm and state as under:

I am the Executive Officer of Sri Maisamma Devatna Ammavari Devasthanam and am well-versed with the facts of the case. In March 2025, we received an order from the learned CIT(E) rejecting the application filed under Sections 12A and 80G of the Income-tax Act, 1961. I handed over the said papers to the tax consultant of the temple, Shri U. Ravi Kumar, who in turn got the appeal papers prepared for filing before the Hon'ble Income Tax Appellate Tribunal (ITAT) through the tax consultant in Hyderabad.

Our tax consultant mailed the relevant papers. However, due to some technical problems, including lack of computer facilities at the temple office, the papers could not be downloaded and signed properly physically. Shri U. Ravi Kumar once again sent the papers for my signature. After signing the papers, they were duly sent back to him for filing the appeal before the Income Tax Appellate Tribunal (ITAT), Hyderabad.

The appeal before the Hon'ble Income Tax Appellate Tribunal (ITAT) filed on 19/06/2025, causing a delay of 19 days.

I state that the delay was neither willful nor intentional, but occurred solely on account of administrative and technical difficulties. It is therefore humbly prayed that the Hon'ble Tribunal may be pleased to condone the delay in the interest of justice.

6. Considering the reasons explained by the assessee as well as the submissions of the learned Counsel for the assessee, we are satisfied that the assesseees were having a reasonable cause for the delay of 19 days in filing of these appeals.

Accordingly, we condone the delay of 19 days in filing the appeals in case of Sri Kurumurthy Swamy Devasthanam and Sri Maisamma Devatna Ammavari Devasthanam, Mahabubnagar.

7. The assesseees have raised common grounds of appeal in all the 4 appeals. For the sake brevity, grounds raised by the assessee in ITA No.1043 and 1044/Hyd/2025 are reproduced hereunder:

ITA No.1043/Hyd/2025

1. The order passed under Section 12A(1)(ac)(iii) on 21.03.2025 by the Commissioner of Income Tax (Exemptions), Hyderabad, rejecting the appellant's application in Form 10AB dt: 26.09.2024 for registration under Section 12AB of the Act and treating the earlier provisional registration as infructuous, is wholly illegal, arbitrary, and against the principles of natural justice.
2. The learned CIT(Exemptions), Hyderabad failed to appreciate that the appellant had erroneously selected clause (i) instead of clause (vi) while filing Form 10A and that such error was purely inadvertent and procedural in nature and the appellant had never been granted registration under Section 12A/12AA prior to 31.03.2021 and hence was otherwise eligible for registration under clause (vi) of Section 12A(1)(ac).
3.
 - a) The learned CIT(Exemptions), Hyderabad erred in rejecting the application filed in Form 10AB solely on technical grounds without examining the genuineness of the activities of the appellant and its compliance with the substantive conditions required for grant of registration under Section 12AB.

- b) The rejection of the application as infructuous on account of a clerical error in clause selection in the original Form 10A application is highly technical and defeats the beneficial purpose of the exemption provisions especially when the appellant had complied with all documentary and statutory requirements in Form 10AB.
4. The learned CIT(Exemptions), Hyderabad failed to exercise discretion judiciously in treating the application in Form 10AB under the correct clause, or in providing an opportunity to rectify the technical defect in the earlier filing, thereby violating the settled principle that substantive compliance should not be defeated by procedural irregularity.
5. The appellant craves leave to add, amend, modify, rescind, supplement or alter any or more grounds of appeal stated herein above either before or at the time of hearing of this appeal.

ITA No.1044/Hyd/2025

1. The order dated 21.03.2025 passed by the learned Commissioner of Income Tax (Exemptions), Hyderabad, rejecting the appellant's application dt: 26.09.2024 in Form 10AB for registration under Section 80G is illegal, arbitrary, and contrary to the principles of natural justice.
2. The learned CIT(Exemptions) failed to appreciate that the error committed by the appellant in selecting Clause (i) of the first proviso to Section 80G(5) in Form 10A was inadvertent and procedural, and that the appellant was otherwise eligible for registration under Clause (vi) (new registration for institutions without any prior approval).
3. On the facts and circumstances of the case and in law, the CIT(Exemptions) erred in rejecting the application on hyper-technical grounds, despite the admitted genuineness of the appellant's activities and its public charitable character, thereby defeating the beneficial object of Section 80G and causing undue hardship to the appellant.
4. The learned CIT(Exemptions) erred in treating the application as infructuous.
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5. The appellant craves leave to add, amend, modify, rescind, supplement or alter any or more grounds of appeal stated herein above either before or at the time of hearing of this appeal.
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8. The learned Counsel for the assessee has submitted that the CIT (Exemption) has rejected the applications of these appeals for registration u/s 12AB as well as approval u/s 80G of the Act on technical ground of mistake in mentioning the section code without giving an opportunity to the assessee to rectify the same. The learned Counsel for the assessee has further submitted that the rejection of the application by the assessee on this technical ground is unjustified and arbitrary. This was only a bonafide mistake and therefore, the application for registration u/s 12AB as well as approval u/s 80G of the Act ought to have been considered on merits instead of technical reasons. In support of his contention he has relied upon the decision of this Tribunal dated 16/07/2025 in the case of Aashritha The Dr U Sankaranarayana Raju Charitable Trust vs. CIT (Exemption) in ITA Nos.208 and 209/Hyd/2025.

9. On the other hand, the learned DR has submitted that the assessee has not disputed the mistake in the application for seeking registration u/s 12AB as well as approval u/s 80G of the Act. The assessee has chosen the wrong application for submitting the application and also incorrect provisions of section 12A of the I.T. Act. He has relied upon the impugned order of the CIT (Exemption).

10. We have considered the rival submissions and carefully perused the impugned order of the CIT (Exemptions). The CIT (Exemptions) which read as under:

The assessee filed an e-application in Form No.10AB seeking registration u/s 80G of the Income-Tax act, 1961.

2. Notice dated 03.12.2024 was issued in respect of proceedings u/s 12A(1)(ac)(iii) to the address mentioned in the Form 10AB, to produce the copy of Memorandum of Association/Trust deed for verification and to furnish a detailed reply on the specific information called for in the said notice. It is observed from the submissions made by the assessee in online, that CPC has issued the Form 10AC dated 23.08.2023 by granting the registration 01-sub clause (i) of clause (ac) of subsection (1) of section 12A of Income-Tax Act, 1961 for a period of 5 years commencing from AY 2022-23 to AY 2026-27, though the assessee was not holding existing registration u/s 12A issued by the department on or before 31.03.2021, and the assessee should have applied the Form 10A by opting the section code 12A(1)(ac)(vi) instead of 12A(1)(ac)(i). In this regard, a show cause notice was issued to the assessee on 04.03.2025.

3. The assessee submitted his reply through e-proceedings stating that they had chosen the wrong section inadvertently while making the application in form 10A and also confirmed that they did not have existing registration u/s 12A of the IT Act, 1961 before 01.04.2021. Further, the assessee requested to grant re-registration u/s 12AB as the mistake happened in form 10A was an unintentional error. However, as there is no provision to rectify the mistake, the Form 10AB filed by the assessee for registration u/s 12AB is infructuous and is rejected.

11. Thus, it is clear that the CIT (Exemption) has rejected all these applications of the 2 assesseees filed for registration u/s 12AB as well as approval u/s 80G of the Act on the ground that the assessee has selected a wrong section code i.e. 12A(1)(ac)(i) instead of section code 12A(1)(ac)(vi). Thus, only due to the mistake in sub clause of section 12A(1)(ac), the learned CIT (Exemption) has rejected all these applications which is highly technical. It is pertinent to note that this is only an inadvertent mistake in selecting the section code while filing the application for registration u/s 12AB as well as approval u/s 80G(5) of the Act. At the outset we note that this Tribunal in case of Aashritha The Dr U Sankaranarayana Raju Charitable Trust vs. CIT

(Exemption) (Supra) has considered an identical issue in para 5 to 7 as under:

“5. We have considered the rival submissions as well as the relevant material available on record. There is no dispute that the assessee Trust was an existing Trust and was having registration u/s 12A as well as approval u/s 80G prior to 1/4/2021. Therefore, in view of the amended provisions of section 12A as well as section 80G, after 1/4/2021, the assessee was required to apply for renewal of registration u/s 12AB as well as approval u/s 80G of the Act. The assessee filed the application in Form 10A for the registration u/s 12AB as well as approval u/s 80G but due to inadvertent and bonafide mistake in selecting the wrong section code and particularly, the clause of section 12A(1) as well as proviso to section 80G(5), the application filed by the assessee in Form 10A was considered as an application for provisional registration as well as approval and consequently, the CPC granted provisional registration in Form 10AC instead of granting the renewal of registration u/s 12AB as well as section 80G(5) of the Act. Thereafter, the assessee filed the application in Form 10AB for seeking regular registration u/s 12AB as well as approval u/s 80G(5) which were rejected by the CIT (Exemptions) by giving the identical reasons. The reasons given for rejection of application for regular registration u/s 12AB of the Act are as under:

Annexure (mentioned in row-9 above)

The assessee filed e-application in Form No.10AB seeking registration u/s 12AB of the Income-Tax act, 1961.

2. Notices dated 05.07.2024 and 23.08.2024 were issued in respect of proceedings u/s 12(1)(ac)(iv) to the address mentioned in the Form 10AB, to produce the copy of Memorandum of Association/Trust deed for verification and to furnish a detailed reply on the specific information called for in the said notice. It is observed from the submissions made by the assessee online that the assessee was holding registration u/s 12A issued by the department on or before 31-03-2021. In this case, the assessee should have applied the Form 10A by opting the section code 12A(1)(ac)(i) for renewal of registration under new regime but the assessee failed to do so. In this regard, a show cause notice dated 02.12.2024 was issued to the assessee and the contents of the said notice are reproduced as under;

“It is observed from the submissions made by you in online, it is observed that you were holding registration u/s 12A issued by the department on or before 31-03-2021. In this case, you should have applied the Form 10A by opting the section code 12A(1)(ac)(i) for renewal of registration u/s 12AB under new regime. As such, the present application for renewal of Form 10AB is infructuous, and is proposed to be rejected. In this regard, your objections if any, in writing to the above proposal is sent on or before 09th December, 2024, failing which it will be presumed that you have no objection to the above proposal, and necessary action will be taken without any further reference.”

3. In response to the above notice, the assessee stated that it was under the bonafide belief that form 10AC issued by the department was for approval for both 12A and 80G and it was just a technical error due to lack of knowledge they had not applied form 10A for registration u/s 12AB and requested to grant the regular registration u/s 12AB by condoning the mistake. However, the provision for rectifying or condoning the mistakes committed by the assessee is not available with this office. In view of the above, the present application in form 10AB for registration u/s 12AB is infructuous and is herewith rejected as non maintainable.

6. Thus, the CIT (Exemptions) has not doubted or questioned the other requirements and conditions satisfied by the assessee being a Trust having charitable objects and also carrying out the charitable activities since past several years, but the application of the assessee was dismissed only on the technical ground of wrong selection of section code. It is a matter of fact that the assessee initially applied in Form 10A but due to some technical bonafide mistake, a provisional registration as well as approval was granted which cannot be a reason for denial of renewal of the registration u/s 12AB as well as approval u/s 80G(5) of the Act. The application of the assessee ought to have been decided by the CIT (Exemptions) based on the undisputed fact and not on the technicalities. This Tribunal has considered this issue in a series of decisions as relied upon by the learned AR of the assessee. In the case of *Telangana State Chapter Indian Radiological & Imaging Association vs. Income Tax Officer (E)* (Supra), the Tribunal has considered an identical issue in para 11 to 13 as under:

“11. We have heard the rival contentions of the parties and perused the material available on record. Admittedly, the assessee was a society, which was holding registration u/s. 80G of the Act prior to 31.03.2021 and was required to submit the application u/s. 80G(5) of the Act after ticking the correct 'section code-12' in form 10A. However, on account of the error in submitting the correct application, the provisional registration was granted to the assessee on 19.03.2022. As per the section 80G(5)(iii) of the Act, the assessee was required to file an application for permanent registration within six months of grant of provisional registration. The relevant portion of the Act, provides as under:

(iii) where the application is made under clause (iv) of the said proviso, pass an order in writing granting it approval provisionally for a period of three years from the assessment year from which the registration is sought, and send a copy of such order to the institution or fund:

Provided also that the order under clause (i), sub-clause (b) of clause (ii) and clause (iii) of the first proviso shall be passed in such form and manner as may be prescribed, before expiry of the period of three months, six months and one month, respectively, calculated from the end of the month in which the application was received:

Provided also that the approval granted under the second proviso shall apply to an institution or fund, where the application is made under--

(a) clause (i) of the first proviso, from the assessment year from which approval was earlier granted to such institution or fund.

(b) clause (iii) of the first proviso, from the first of the assessment years for which such institution or fund was provisionally approved.

(c) in any other case, from the assessment year immediately following the financial year in which such application is made.]

12. Since in the present case, on account of the mistake committed by the assessee, while filing the application, the provisional registration was granted to the assessee on 19.03.2022 and, therefore, the assessee had filed the application for grant of permanent registration vide application dt. 30.09.2022, being the existing continuing society.

13. The application of the assessee has been rejected by the Id.CIT(E) on the pretext that the assessee was having registration upto assessment year 2024-25. And further the assessee has not submitted the document for verification. In our view, the assessee, being a society was registered even prior to 31.03.2021 and thereafter had applied for registration, as mentioned herein above on provisional basis. In our considered opinion, though the assessee had committed a mistake in selecting the wrong section code 11 while making an application at the first instance, however, for such a mistake, the permanent registration cannot be denied by the respondent. In our view, the respondent is also duty bound to cross-verify the details, submitted by the assessee at the time of issuance of provisional certificate and should have issued a notice at that time by pointing out the wrong selection of section code by the assessee. Thus, the assessee as well as Revenue both are at fault. In view of the above, we deem it appropriate to remand back the matter to the file of the Id.CIT(E) with a direction to permit the assessee to rectify the mistake in submitting the application form and with a further direction to consider the application of assessee for grant of permanent registration. Needless to say, that the assessee is also directed to co-operative with the Id.CIT(E) and shall file all the necessary details as may be required by the authorities so as to facilitate earlier and speedy disposal of the case.”

7. Accordingly, a bonafide mistake in selecting wrong section code cannot be a ground for denial of registration u/s 12AB as well as approval u/s 80G(5) of the Act. Hence, , in the facts and circumstances of the case, we set aside the impugned order of the CIT (Exemptions) in both the appeals and matters are remanded to the record of the CIT (Exemptions) with the direction to permit the assessee to rectify the mistake in the application form and then consider the applications of the assessee for grant of registration u/s 12AB as well as approval u/s 80G of the Act by passing an order on merits of the matter after giving an opportunity of hearing to the assessee. We order accordingly.

12. Accordingly, in the facts and circumstances of the case and in view of the earlier orders of this Tribunal, we hold that a bonafide mistake in selecting section code cannot be a ground for denial of registration u/s 12AB as well as approval u/s 80G of the Act. Thus, we set aside the impugned orders of the learned CIT (Exemption) whereby the applications for registration u/s 12AB as well as registration u/s 80G of the I.T. Act in respect of these 2 assesseees were rejected with the direction to permit the assessee to rectify the mistake in the application forms and then consider the applications of the assesseees for registration u/s 12AB as well as approval u/s 80G of the Act on merits by a speaking order after giving an opportunity of hearing to the assessee.

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

Order pronounced in the Open Court on 10th September, 2025.

Sd/-

Sd/-

(MANJUNATHA, G.) ACCOUNTANT MEMBER	(VIJAY PAL RAO) VICE-PRESIDENT
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Hyderabad, dated 10th September, 2025

Vinodan/sps

Copy to:

S.No	Addresses
1	Assessees c/o Katrapati & Associates, 1-1-298/2/B/3 Sowbhagya Avenue Apts, 1st Floor, Ashok Nagar, Street No.1 Hyderabad 500020&
2	CIT (Exemptions) Hyderabad
3	Pr. CIT (Exemptions) - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order