

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

श्री विजय पाल राव, उपाध्यक्ष एवं
श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।
BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA No.1177/Hyd/2025**
(निर्धारण वर्ष / Assessment Year: 2025-26)

M/s. Musculoskeletal Society (MSS), Hyderabad. PAN: AACAM9070E	Vs.	Income Tax Officer (Exemption), Ward-1(4), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri Chennubotlu, C.A.	
राजस्व द्वारा / Revenue by:	Dr. Sachin Kumar, SR-DR	
सुनवाई की तारीख / Date of hearing:	15/09/2025	
घोषणा की तारीख / Pronouncement:	19/09/2025	

आदेश/ORDER

PER MADHUSUDAN SAWDIA, A.M. :

This appeal is filed by M/s. Musculoskeletal Society (MSS) ("the assessee"), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Exemptions), Hyderabad ("Ld. CIT(E)"), dated 09.12.2024 for the A.Y. 2025-26.

2. At the outset, it is observed that there is a delay of 153 days in filing the present appeal. The assessee has filed a petition for condonation of delay accompanied by an affidavit explaining the reasons for such delay. The Learned Authorised Representative (“Ld. AR”) submitted that the assessee is a society comprising members who possess little knowledge of the intricacies of tax law and its implications. Therefore, the assessee is heavily dependent on professional tax consultants. It was submitted that the assessee came to know belatedly that its application for registration under section 12AB of the Income Tax Act, 1961 (“the Act”) had been rejected by the Ld. CIT(E) and that an appeal was required to be filed before the Tribunal. The counsel who had handled the registration proceedings was not dealing with Tribunal matters. Consequently, the assessee had to search for another counsel competent in Tribunal practice. This entire process consumed time and resulted in the delay of 153 days. The Ld. AR further contended that the delay was neither deliberate nor intentional, but was caused by bona fide circumstances beyond the control of the assessee. Therefore, it was

pleaded that the delay may be condoned in the interest of justice and the appeal may be admitted for adjudication.

3. Per contra, the Learned Departmental Representative (“Ld. DR”) objected to the condonation of delay. It was argued that the reasons furnished by the assessee are not sufficient and do not constitute “reasonable cause” within the meaning of law. It was submitted that the delay ought not to be condoned and the appeal deserves dismissal on the ground of limitation.

4. We have carefully considered the rival submissions and perused the petition and affidavit filed by the assessee in support of condonation of delay. We note that the explanation offered is that the assessee society and its members lacked expertise in tax law, were dependent on their consultant, and came to know about the rejection of registration only at a later stage. Thereafter, the assessee had to engage another counsel conversant with Tribunal practice, which resulted in the delay of 153 days. On perusal of the affidavit and considering the surrounding circumstances, we are

satisfied that the delay was due to bona fide reasons and not due to any mala fide or deliberate inaction on the part of the assessee. Further, we find that the Hon'ble Supreme Court, in the case of Vidya Shankar Jaiswal vs. The Income Tax Officer, Ward-2, Ambikapur in Special Leave Petition (Civil) Nos. 26310-26311/2024, dated 31st January, 2025, has held that a justice-oriented and liberal approach should be taken while dealing with the application filed by an appellant seeking condonation of the delay in filing of the appeal. Accordingly, taking a judicial and liberal approach, we condone the delay of 153 days in filing the appeal and admit the same for adjudication on merits.

5. The assessee has raised the following grounds of appeal :

1. The order of the Ld. Commissioner of Income Tax (Exemptions) Hyderabad in rejecting the application for registration u/s 12AB of Income Tax Act is bad in law and against the principles of natural justice.
2. The Ld. Commissioner of Income Tax (Exemptions) Hyderabad grossly erred in rejecting the application for registration u/s 12AB of Income Tax Act citing the reason that "no substantial activities which are charitable in nature are being carried out by the assessee, which is in violation of the provisions of the section 12AB of the IT Act, 1961" ignoring completely the responses filed by the Appellant vide its letter dated 18-11-2024.

3. The Ld. Commissioner of Income Tax (Exemptions) Hyderabad grossly erred and failed to appreciate the fact that the appellant has submitted full response to the letter dated 11-11-2024 vide appellant's letter dated 18-11-2024.
4. The Ld. Commissioner of Income Tax (Exemptions) Hyderabad failed to appreciate the financial statements submitted for the financial years 2020-21 and 2021-22 **wherein the appellant has spent an amount of Rs.42,27,331 towards the direct expenses on the conference which includes an amount of Rs.2,32,966/- towards free medical camp expenses and Rs.6,69,747 towards other overheads in the financial year 2021-22 which constitutes 80.5% of the revenue towards conference expenses, which are charitable in nature and towards the objects of the appellant, and 6.69% towards other overheads of the appellant.** Without considering this fact the Ld. Commissioner of Income Tax (Exemptions) simply rejected the application stating that no substantial activities are carried out which are charitable in nature, which is far from the facts of the case.
5. The Ld. Commissioner of Income Tax (Exemptions) Hyderabad has not passed any adverse comment on the charitable nature of the activities of the appellant nor any

adverse comment or observations on the genuineness of the activities of the appellant nor observed or commented any non compliance such requirements of any other law for the time being in force as are material for the purpose of achieving its objects; which are mandatory requirements u/s 12AB (1) (b) of the Income Tax Act for renewal application.

6. **The Ld. Commissioner of Income Tax (Exemption) failed to call for any information or documents to satisfy himself about the genuineness of the activities of the appellant before rejecting the application as mandated by the section 12AB (1) (b) of the Income Tax Act. The appellant hereby submits documentary evidences about the nature of the activity carried on by it during the financial year 2021-22, 2022-23 for the kind perusal of the Hon'ble Bench.**
7. The Ld. Commissioner of Income Tax (Exemptions) order is not a speaking order in the sense that the order has not specified which expenses charged to Income and Expenditure account are not directly or indirectly related to the objects of the appellant or rather not related to the conferences conducted by the appellant.

8. The Ld. Commissioner of Income Tax (Exemptions) failed to appreciate the fact that the appellant is conducting conferences to spread awareness of problems of Musculoskeletal system and the available treatment, which is performed by highly trained musculoskeletal radiologists, which is a charitable activity under section 2(15) of the Income Tax Act.
9. For the above and other grounds that may be advanced at the time of hearing, the appellant prays the Hon'ble Bench that the Ld. Commissioner of Income Tax (Exemptions) Hyderabad may be directed to register the appellant u/s 12AB of the Income Tax Act, 1961, as amended.

6. The brief facts of the case are that, the assessee is a society registered under the Andhra Pradesh Societies Registration Act, 2001. The assessee had been granted provisional registration under section 12AB of the Income Tax Act, 1961 ("the Act") for the assessment years 2023-24 to 2025-26 in Form no.10AC on 01.12.2022. Subsequently, the assessee filed an application for regular registration in Form No. 10AB. The Ld. CIT(E) rejected the said application through an order in Form No. 10AD dated 09.12.2024 on the ground that no substantial charitable activities had been carried out by the assessee.

7. Aggrieved by the rejection order of the Ld. CIT(E), the assessee is in appeal before us. The Ld. AR submitted that the assessee

society is actively engaged in charitable activities and had placed on record before the Ld. CIT(E) various evidences and documents substantiating the same. However, the Ld. CIT(E), without specifically pointing out any deficiency in such evidences, rejected the application merely on a general observation that no substantial charitable activities had been carried out. The Ld. AR invited our attention to the submissions made by the assessee before the Ld. CIT(E) on 18.11.2024, which are placed at page nos. 28 to 32 of the paper book. He also pointed out that the assessee had filed audited financial statements for financial year 2020-21 and financial year 2021-22 demonstrating that the society is regularly engaged in charitable activities of a substantial nature. It was further contended that the order of the Ld. CIT(E) suffers from violation of principles of natural justice, as no adequate opportunity was granted to the assessee to rectify or supplement any alleged deficiencies. The rejection was mechanical in nature. Therefore, it was prayed that one more opportunity may be given to the assessee by remitting the matter back to the file of the Ld. CIT(E).

8. Per contra, the Ld. DR strongly supported the order of the Ld. CIT(E). It was argued that adequate opportunities were already provided to the assessee during the course of proceedings. However, the assessee failed to substantiate its claim of having carried out genuine charitable activities. With respect to the alleged submission dated 18.11.2024, the Ld. DR contended that no acknowledgement or proof of filing the same before the Ld. CIT(E) has been produced. In the absence of such acknowledgement, it cannot be accepted that the said documents were actually filed before the authority. Therefore, no further opportunity deserves to be granted, and the rejection order should be upheld.

9. We have carefully considered the rival submissions and perused the material available on record. The Ld. AR has drawn our attention to the submission dated 18.11.2024 placed at page nos. 28 to 32 of the paper book and contended that the same was filed before the Ld. CIT(E). However, on perusal of the impugned order, we find that there is no reference as to whether such submission was received and considered by the Ld. CIT(E). We further note that the

order of the Ld. CIT(E) merely records a general finding that the assessee had not carried out substantial charitable activities. The order does not spell out any specific deficiency in the evidences and documents filed by the assessee. In our considered opinion, an order rejecting registration under section 12AB of the Act must contain clear findings with reference to the material filed and reasons for rejection. Since it is not clear from the impugned order whether the submission dated 18.11.2024 was considered, and as no specific deficiencies in the filed documents have been pointed out, we are of the view that the assessee deserves one more opportunity to present its case before the Ld. CIT(E).

10. In view of the above facts and circumstances of the case and in the interest of justice, we deem it fit to set aside the order of the Ld. CIT(E) and remand the matter back to his file for fresh adjudication. The Ld. CIT(E) shall provide due opportunity to the assessee to furnish necessary evidences and explanations and thereafter decide the matter in accordance with law. The assessee is also directed to fully cooperate and promptly file all relevant documents during the

proceedings. Accordingly, the appeal of the assessee is allowed for statistical purposes, with the matter remitted back to the file of the Ld. CIT(E).

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

Order pronounced in the open Court on 19th Sept., 2025.

**Sd/-
(VIJAY PAL RAO)
VICE PRESIDENT**

**Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER**

Hyderabad.
Dated: 19.09.2025.

** Reddy gp*

Copy of the Order forwarded to :

1.	M/s. Musculoskeletal Society (MSS), 2 nd Floor, H.No.8-1-300/A & Krest Building, Shaikpet, Hyderabad-500008.
2.	The ITO (Exemption), Ward 1(4), Hyderabad.
3.	Pr.CIT (Exemption), Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,