आयकर अपीलीय अधिकरण "ए" न्यायपीठ पुणे में ।
IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, PUNE

BEFORE SHRI R.K. PANDA, VICE PRESIDENT
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER

आयकर अपील सं. / ITA Nos.1349 & 1350/PUN/2025

Navsamaj Nirman Bahu Uddeshiy Sanstha, Plot No. 35, Shivwandan Gru Nandurbar-425412, Maharashtra PAN : AABAN4549D	**Vs.**	ITO, Exemption, Ward-1(2), Nashik
अपीलार्थी / Appellant		**प्रत्यर्थी / Respondent**

Assessee by :	Shri Piyush Bafna
Department by :	Shri Amol Khairnar
Date of hearing :	11-09-2025
Date of Pronouncement :	30-09-2025

आदेश / ORDER

PER ASTHA CHANDRA, JM :

The above two appeals filed by the assessee are directed against the separate orders both dated 26.03.2025 of the Ld. Commissioner of Income Tax (Exemption), Pune **("CIT(E)")** rejecting the application(s) for grant of registration u/s 12A and approval u/s 80G of the Income Tax Act, 1961 **(the "Act")**. For the sake of convenience, both these appeals were heard together and are being disposed of by this common order.

2. In ITA No.1349/PUN/2025, the assessee has challenged the order of the Ld. CIT (E) in rejecting the application for registration u/s 12A of the Act while ITA No.1350/PUN/2025 relates to the order of the Ld. CIT(E) in denying the approval u/s 80G of the Act.

3. Facts of the case in ITA No.1349/PUN/2025, in brief, are that the assessee filed an application in Form No.10AB on 05.11.2024 for registration of the trust under clause (iii) of section 12A(1)(ac) of the Act. With a view to verify the genuineness of the activities of the assessee and compliance to requirements of any other law for the time being in force by the trust/institution as are material for the purpose of achieving its objects, a notice was issued through ITBA portal on 06.01.2025 requesting

the assessee to upload certain information/clarification. The assessee was asked to file compliance by 21.01.2025. The notice was duly served on the assessee through e-portal and email. The Ld. CIT(E) while going through those details and documents filed along with the application, found various discrepancies for which he issued another notice on 14.03.2025 requesting the assessee for necessary compliance by 21.03.2025. The assessee, however, again failed to comply with the said notice. The said discrepancies recorded by the Ld. CIT(E) in para 4 of the impugned order is reproduced below:

> *"4. …*
>
> *"(i) Upon review of your activity note, it has been observed that your trust is running "Animal Birth Control Centre, Nandurbar", in respect to which kindly furnish dates and places of activities conducted by your trust. Also furnish the details of veterinarian/ nurses along with their educational qualification details/documents appointed by your trust.*
>
> *(ii) Trust has taken loans. However, nature and purpose of the same and its utilisation for each of the institution / project along with copy of permission under section 36A of the Maharashtra Public Trust Act, 1950 from the Charity Commissioner has not been furnished.*
>
> *(iii) Kindly furnish evidences claiming expenses on charitable activities such as bills/vouchers/invoices alongwith photographs of charitable activities actually carried out by your trust*
>
> *(iv) You were specifically requested to furnish the date of commencement of activities vide the initial notice itself but you have not furnished the same. Although you have not informed the date of commencement of activities, it is seen that the date of incorporation of the trust / institution as per Charity Commissioner is 30/09/2007 and it is also seen from the financial statements that expenditure on objects is shown right from the F.Y. 2021-22. Therefore, it is clear that the activities were commenced at least from F.Y. 2021-22. Further, as per the copy of order of provisional registration under section 12AB read with section 12A(1)(ac)(vi) of the Income Tax Act, 1961 submitted by you, the date of provisional registration is 09/01/2022. As per the provisions of section 12A(1)(ac)(iii) of the Act, where a trust or institution has been provisionally registered under section 12AB of the Act, the application for regular registration under section 12AB is required to be filed within 6 months from the date of commencement of activities. Since, your activities were already commenced as on the date of provisional registration, you were required to file the present application within 6 months from the date of provisional registration i.e. on or before 08/07/2022. The extended due date as per CBDT Circular No. 7 of 2024 was 30/06/2024. Thus, it is seen that you have not filed the present application within the time limit allowed under section 12A(1)(ac)(iii) of the Income Tax Act, 1961.*
>
> *(v) Without prejudice to the above, it is seen that the expiry date of provisional registration under section 12AB of the Act in your case is 31/03/2024. As per the provisions of section 12A(1)(ac)(iii) of the Act, where a trust or institution has been provisionally registered under section 12AB of the Act, the application for regular registration under section 12AB is required to be filed, at least six months prior to expiry of period of the provisional registration or within six months from the date of commencement of activities, whichever is earlier. Since, the period of provisional registration was due to expire on 31/03/2024, the present application was required to be filed before 30/09/2023. The extended due date as per CBDT Circular*

No. 7 of 2024 was 30/06/2024. However, the present application filed by you is on 05/11/2024 i.e. after the expiry of period allowed under section 12A(1)(ac)(iii) of the Act. Thus, it is seen that you have not filed the present application within the time limit allowed under section 12A(1)(ac)(iii) of the Income Tax Act, 1961."

3.1 As the assessee did not furnish any explanation to the above discrepancies communicated to it vide the above notice dated 14.03.2025, the Ld. CIT(E) presumed that the assessee has nothing to say in the matter and therefore having been unable to draw any satisfactory conclusion about the genuineness of the activities of the assessee trust, the Ld. CIT(E) proceeded to pass the impugned order rejecting the application of the assessee and also cancelling the provisional registration earlier granted to the assessee by observing as under :

"7. Considering the above facts discussed in the show notice and discrepancies noticed and also that the assessee has not complied with the provisions of section 12AB(1)(b)(i) of the Income Tax Act, 1961 as well as the provisions of Rule 17A(2) of Income Tax Rules, 1962 in spite giving sufficient opportunities, the undersigned is unable to draw any satisfactory conclusion about the genuineness of activities of the assessee and compliance of requirements of any other law for the time being in force by the assessee as are material for the purpose of achieving its objects.

8. In view of the above, the application filed by the assessee is hereby rejected and the provisional registration granted on 09/01/2022 under section 12AB read with section 12A(1)(ac)(vi) of the Income Tax Act, 1961 is hereby cancelled."

4. Aggrieved with such order of the Ld. CIT(E), the assessee is in appeal before the Tribunal by raising the following grounds:

*"**Erroneous Rejection of the Application***

1. On the facts and in the circumstances of the case, and on facts Hon'ble CIT(Exemption) Pune has erred in rejecting the application of the appellant trust for final registration u/s 12A of the Act without properly appreciating the facts and submissions made by the Appellant and hence, the impugned order may be quashed and the registration under section 12A of the Act may kindly be restored.

Denial of Natural Justice

2. On the facts and in the circumstances of the case, and on facts Hon'ble CIT(Exemption) Pune has erred in rejecting the application of the appellant trust for final registration uls 12A of the Act by granting very short period of time (5 days excluding public holidays) to furnish reply to the show cause notice and on this ground itself, the impugned order may please be quashed and registration under section 12A of the Act may kindly be restored.

Rejection Based on Alleged Delay

3. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application for final registration under section 12A on the ground of delay, without appreciating that the law permits filing of the application within six months before the expiry of provisional approval, particularly where

activities had commenced prior to such approval and thus, the impugned rejection order may please be quashed and set aside, and registration under section 12A of the Act may be granted.

<u>Non-Consideration of Genuineness of Activities</u>

4. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption). Pune has erred in not appreciating that the appellant is genuinely engaged in charitable activities and is operating in accordance with its stated objects and applicable law, thereby fulfilling the eligibility criteria for registration under section 12A and hence, it should be granted the registration under section 12A of the Act.

5. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application for registration under section 12A of the Act without pointing out any specific instance of non-genuine activity or any violation of the objects of the Appellant trust, and therefore, the rejection is unjustified and the registration ought to have been granted.

6. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application merely on technical grounds such as non-availability of certain documents or procedural aspects, whereas the substantive compliance and charitable nature of the trust were clearly established.

7. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in not following established judicial precedents wherein courts and tribunals have held that minor procedural lapses should not be the basis for rejection of a genuine charitable trust's registration.

<u>Mechanical and Non-Speaking Order</u>

8. On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in passing a mechanical and non-speaking order, without property appreciating the submissions, explanations, and documents furnished by the appellant.

<u>Other Ground</u>

9. The Appellant craves leave to add, amend, alter, modify, vary, or withdraw all or any of grounds of appeal, in the interest of justice, if necessary, at the time of hearing of the appeal."

5. Admittedly, the facts of the case in ITA No.1350/PUN/2025 are similar to that of ITA No.1349/PUN/2025 narrated above. Similar grounds have been raised in ITA No. 1350/PUN/2025 which read as under:

*"**<u>Erroneous Rejection of Application</u>***

1. On the facts and in the circumstances of the case, and on facts Hon'ble CIT(Exemption) Pune has erred in rejecting the application of the appellant trust for final registration u/s 80G(5) of the Act without properly appreciating the facts and submissions made by the Appellant and therefore, the impugned order may kindly be quashed and registration under section 80G(5) of the Act should be granted.

<u>Denial of Natural Justice</u>

2. On the facts and in the circumstances of the case, and on facts Hon'ble CIT(Exemption) Pune has erred in rejecting the application of the appellant trust for final registration u/s 80G of the Act by granting

very short period of time (5 days excluding public holidays) to furnish reply to the show cause notice and on this ground itself, the impugned order may please be quashed and registration under section 80G of the Act may kindly be restored.

Misinterpretation of Section 80G(5) Provisions Based on Alleged Delay

3. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in misinterpreting the provisions governing the timeline for filing the application, resulting in an unjust and unreasonable rejection, which ought to be quashed.*

4. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application for final registration under section 80G(5) on the ground of delay, without appreciating that the law permits filing of the application within six months before the expiry of provisional approval, particularly where activities had commenced prior to such approval and thus, the impugned rejection order may please be quashed and set aside, and registration under section 80G of the Act may be granted.*

Non-Consideration of Genuineness of Activities

5. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application merely on technical grounds such as non-availability of certain documents or procedural aspects without pointing out any specific instance of non-genuine activity or any violation of the objects of the Appellant trust, whereas the substantive compliance and genuineness of the activities carried out by the trust were clearly established.*

Contravention of Judicial Precedents

6. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in not following established judicial precedents wherein courts and tribunals have held that minor procedural lapses should not be the basis for rejection of a genuine charitable trust's registration.*

Unjustified Cancellation of Provisional Approval

7. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in cancelling the validly granted provisional approval under section 80G(5), despite the appellant fulfilling all substantive conditions for final registration.*

Mechanical and Non-Speaking Order

8. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in passing a mechanical and non-speaking order, without properly appreciating the submissions, explanations, and documents furnished by the appellant.*

Failure to Exercise Discretion Judiciously

9. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has failed to exercise discretion judiciously by rejecting the application on technical grounds, despite the trust meeting all substantive requirements.*

Invalid Rejection Due to Non-Grant of Section 12A Registration

10. *On the facts and in the circumstances of the case, the Hon'ble CIT(Exemption), Pune has erred in rejecting the application for registration under section 80G(5) solely on the ground that the appellant does not have valid registration under section 12A, despite*

the fact that the Appellant has challenged the rejection order u/s 12A before Hon'ble Tribunal and further, the substantive conditions of section 80G(5) were otherwise fulfilled and thus, the impugned rejection order u/s 80G may please be quashed and set aside, and registration under section 80G of the Act may be granted.

Other Ground

11. The Appellant craves leave to add, amend, alter, modify, vary, or withdraw all or any of grounds of appeal, in the interest of justice, if necessary, at the time of hearing of the appeal."

6. It is the submission of the Ld. AR that since the Ld. CIT(E) has rejected the grant of registration u/s 12A of the Act and cancelled the provisional registration granted earlier, he refused to grant approval u/s 80G of the Act.

7. The Ld AR submitted that the requisite details/documents could not be furnished inadvertently in response to the discrepancies pointed out by the Ld. CIT(E). The Ld. AR submitted that given an opportunity the assessee is now in a position to file all the details/ documents as desired by the Ld. CIT(E). He therefore prayed for one more opportunity to be granted to the assessee to present and substantiate its case before the Ld. CIT(E) by filing the requisite details/documents.

8. The Ld. DR, on the other hand, supported the order of the Ld CIT(E).

9. We have heard Ld. Representatives of the parties, perused the material available on record. It is an admitted fact that the assessee filed some response to the initial notice issued by the Ld. CIT(E), however, the same was not to the satisfaction of the Ld. CIT(E). Thereafter another notice was issued requiring the assessee to file certain other details/ documents as per the list of discrepancies pointed out by the Ld. CIT(E). In the absence of any reply by the assessee to the said notice, the Ld. CIT(E) rejected the application of the assessee u/s 12A of the Act. The assessee's application for grant of approval u/s 80G has also been rejected by the Ld. CIT(E) on the similar grounds. Further, since the application for grant of registration u/s 12A of the Act was rejected and the provisional registration granted earlier was cancelled, he also rejected the application for grant of approval u/s 80G of the Act. Before us, the Ld. AR submitted that the assessee inadvertently missed to file response to the second notice/show cause notice and prayed for grant of one more opportunity to appear before the Ld. CIT(E) and make the requisite submissions.

10. Considering the totality of the facts and in the circumstances of the case enumerated above and in the interest of justice, we deem it proper, to set aside the impugned order(s) of the Ld. CIT(E) and restore the issue(s) to his file with a direction to grant one final opportunity to the assessee to explain and substantiate its case to his satisfaction by filing the requisite details as may be required/ called upon and decide both the applications of the assessee under section 12A and 80G of the Act afresh as per fact and law. The assessee is also hereby directed to remain vigilant in accessing notices of hearing and make his submissions on the appointed date without seeking any adjournment under any pretext unless required for the sufficient cause, failing which the Ld. CIT(E) shall be at liberty to pass appropriate order(s) as per law. We hold and direct accordingly. The grounds raised by the assessee in both the appeals are accordingly allowed for statistical purposes.

11. In the result, both the appeals in ITA Nos. 1349 & 1350/PUN/2025 filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 30th September, 2025.

Sd/-	Sd/-
(R.K. Panda)	(Astha Chandra)
VICE PRESIDENT	**JUDICIAL MEMBER**

पुणे / Pune; दिनांक / Dated : 30th September, 2025.
रवि

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "ए" बेंच, पुणे / DR, ITAT, "A" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

//सत्यापित प्रति// True Copy//

आदेशानुसार / BY ORDER,

वरिष्ठ निजी सचिव / Sr. Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune