

IN THE INCOME TAX APPELLATE TRIBUNAL  
"SMC" BENCH PANAJI  
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER  
I T A. No.202/PAN/2025  
(A.Y.2022-23 )

Dear hood Foundation, Plot.No.1 /S,Kanbargi Industrial Area, Kanabargi.S.O, Belgaum-590015, Karnataka.	Vs.	DDIT, CPC, Bengaluru-560500. Karnataka.
PAN/GIR No. AAICD1005D		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Appellant by	Shri.Pramod Y Vaidya.AR
Revenue by	Shri.Sanket Deshmukh.Sr.DR

सुनवाई की तारीख/Date of Hearing	23.12.2025
घोषणा की तारीख/Date of Pronouncement	23.12.2025

**ORDER**

**PER PAVAN KUMAR GADALE, JM:**

The appeal is filed by the assessee against the order of the ADDL/JCIT (A)-1Vadodara passed u/sec143(1) and u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the denial of claim of exemption u/sec11 of the Act.

2. At the time of hearing, the Ld.AR brought to the knowledge of the bench, that there is a delay of 164 days in filing the appeal before the Hon'ble Tribunal and the assessee has filed an affidavit for condonation of delay.

Whereas, the facts mentioned in the affidavit are reasonable and the Ld. DR has no specific objections. Accordingly, condone the delay and admit the appeal.

3. The Brief facts of the case are that, the assessee is a company incorporated under section 8 of the companies Act 2013 and is also registered u/sec 12A(1) of the Income Tax Act. The assessee has filed the return of income in ITR 7 for the A.Y 2022-23 on 18.10.2022 disclosing a total income of Rs.Nil after claiming exemption u/sec 11 of the Act and the return of income was processed u/sec 143(1) of the Act on 17.03.2023 determining the total income of Rs.14,62,003/- by disallowing the claim of exemption u/sec 11 of the Act as Form.No.10B was not submitted and the CPC has raised tax demand payable of Rs.5,33,910/-

4. Aggrieved by the order, the assessee has filed an appeal with the CIT(A), whereas the CIT(A) has considered the grounds of appeal, statement of facts and submissions of the assessee and has observed that the assessee has filed the return of income claiming exemption u/s 11 of the Act, whereas the Form 10B was filed on 17.10.2022 beyond the extended due date of 7.10.2022 for A.Y. 2022-23 as per CBDT Circular no. 20 and there is a delay of 10 days in filing the audit report in Form. No.10B by the assessee. The CIT(A) find that the assessee has submitted a request for condonation of delay regarding the filling of Form.No.10B of the Act before the Chief Commissioner of Income Tax (Exemption) Bengaluru and the assessee has

failed to produce any evidence regarding the delay has been condoned. Therefore the assessee is not eligible for exemption u/sec 11 of the Act and confirmed the action of the Assessing Officer /CPC. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

5. At the time hearing, the Ld.AR submitted that the CIT(A) has erred in not considering the facts on merits and submissions on the delay. Whereas the assessee has applied for condonation of delay in filing the Form.No 10B under section 119(2)(b) of the Act with the CCIT(E) Bengaluru and same is pending till date, Further the delay of 10 days in filling the Form.NO.10B is not a wanton Act and prayed for allowing the assessee appeal. The Ld.AR substantiated the submissions with the factual paper book and judicial decisions. Per Contra, the Ld. DR supported the order of the CIT(A).

6. Heard the rival submissions and perused the material on record. The grievance of the assessee that the CIT(A) has erred in not considering the facts on the delay in filling the Audit report in Form,No,10B and confirming the action of the A.O/CPC. The Ld.AR submitted that the assessee has applied for condonation of delay in filing the Form. No 10B under section 119(2)(b) of the Act with the office of CIT(Exemptions) on 20-02-2024 and the application is pending for disposal. Whereas the assessee has filed Form. No.10B being Audit report u/sec 12A(1)(b)

of the Act on 17.10.2022 beyond the extended due date of 7.10.2022 for A.Y. 2022-23 as per CBDT circular and there was a delay of 10 days in filling the Form.No.10B. Therefore, considering the facts, circumstances and the principles of natural justice and set aside the order of the CIT(A) and restore the entire disputed issues to the file of the Assessing Officer to consider the outcome of condonation of delay application filed by the assessee with the CCIT(E) and consider the claim of exemption u/sec11 of the Act. Further the assessee should be provided adequate opportunity of hearing and the assessee shall cooperate in submitting the information. And the grounds of appeal of the assessee are allowed for statistical purposes.

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

Order pronounced on 23/12/2025 as per rule 34(5) of the ITAT Rules 1962.

**Sd/-**  
**(PAVAN KUMAR GADALE)**  
**JUDICIAL MEMBER**

Panaji Dated: 23/12/2025

**Copy of the Order forwarded to:**

1. The Appellant,
2. The Respondent
3. The CIT(A)-
4. CIT
5. DR, ITAT
6. Guard file.

//True Copy/

BY ORDER,  
(Dy./Asstt. Registrar)ITAT,  
Panaji.

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			