

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM “SMC” BENCH : VISAKHAPATNAM
AT HYDERABAD**

THROUGH HYBRID HEARING

**BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI OMKARESHWAR CHIDARA, ACCOUNTANT MEMBER**

आ.अपी.सं / **ITA No.751/VIZ./2025**
Assessment Year 2023-2024

Nellore Pinakini Lions Trust, Nellore. PIN – 524 001. PAN AADTN0776D (Appellant)	vs.	The Income Tax Officer, Exemption Ward, GUNTUR. Andhra Pradesh (Respondent)
निर्धारिती द्वारा /Assessee by:	Dr. Abhishek, CA [Hybrid]	
राजस्व द्वारा /Revenue by:	Dr. Aparna Villuri, Sr. AR	

सुनवाई की तारीख /Date of hearing:	27.01.2026
घोषणा की तारीख /Pronouncement:	30.01.2026

आदेश /ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

This appeal by the Assessee is directed against the Order dated 15.10.2025 of the learned CIT(A)-National Faceless Appeal Centre [in short “NFAC], Delhi, for the assessment year 2023-2024.

2. The assessee has raised the following grounds:
- i. *“The order of Learned AO/CIT(A) is bad in law, void and ought to be quashed.*
 - ii. *The Appellant had applied for condonation of delay petition which was granted by the Hon'ble CIT(E) vide order dated 16.09.2025.*
 - iii. *The Learned AO/CIT(A) ought to have noted that the original assessment has no legs to stand on and is liable to be quashed.*
 - iv. *The Learned AO/CIT(A) ought to have noted the condonation has been granted on retrospective basis from AY 2022-23 to AY 2026-27.*
 - v. *Any other grounds that may be raised during the course of the appeal.”*
3. The assessee is a charitable institution and was granted provisional registration u/sec.12A of the Income Tax Act [in short "the Act"], 1961 vide order dated 04.04.2022 valid up to assessment year 2024-2025. The assessee filed its return of income for the assessment year under consideration on 31.10.2023 by claiming exemption u/ses.11 and 12 of the Act. In the meantime, the assessee also filed an application in Form-10AB before the learned CIT(E) for grant of regular registration u/sec.12A of the Act. The learned CIT(E) vide order dated 13.03.2024 rejected the application on the

ground that the assessee has not filed the relevant information or documentary evidence. The return of income was selected for scrutiny on the issue that the registration u/secs.12A/12AB of the Act has been cancelled/withdrawn by the Competent Authority. The Assessing Officer passed the order u/sec.143(3) r.w.s.144B of the Act on 22.03.2025 whereby the claim of exemption u/sec.11 of the Act was denied and addition of Rs.8,00,559/- was made and brought to tax u/sec.115TD of the Act. The assessee challenged the action of the Assessing Officer before the learned CIT(A) but could not succeed.

4. Before the Tribunal, the learned Authorised Representative of the Assessee has submitted that the Assessing Officer has rejected the claim of exemption u/sec.11 on the ground that the registration of the assessee earlier granted on provisional basis was cancelled/withdrawn by the learned CIT(E) vide order dated 13.03.2024. However, subsequently the learned CIT(E) granted regular registration u/sec.12AB(1)(b) vide order dated 16.09.2025 which is applicable from assessment years 2022-2023 to 2026-2027

covering the assessment year under consideration. Thus, the learned Authorised Representative of the Assessee has submitted that in view of subsequent registration granted by the learned CIT(E), the disallowance of claim of exemption by the Assessing Officer is not justified.

5. On the other hand, the learned DR has submitted that the order dated 16.09.2025 of the learned CIT(E) was not brought to the notice of the learned CIT(A) before passing the impugned order. Thus, the learned DR has submitted that in view of subsequent development, the matter may be remanded to the record of the Assessing Officer for deciding the same after considering the registration granted by the learned CIT(E).

6. We have considered the rival submissions as well as the relevant material on record. The Assessing Officer has disallowed the claim of exemption u/sec.11 of the Act in Para-4.5 as under:

“4.5. Point-wise rebuttal of reply of the assessee including analysis of any case law relied upon:

(i) Disallowance of exemption u/s 11 of the Act:

The assessee has claimed exemption of Rs.8,00,685/- under Section 11 and 12 of the Act in its ITR in respect of A.Y 2023-24 but the application of the assessee seeking registration under Section 12AB of the Act has been rejected by the Ld. Commissioner of Income Tax (Exemption), Hyderabad, vide Order dated 13/03/2024, Hence, the current status of the Trust is that it is not registered u/s 12A of the Act and is hence, not eligible to avail exemption u/s 11 and 12 of the Act. Therefore, the exemption of Rs. 8,00,685/- claimed by the assessee u/s 11 and 12 of the Act is proposed to be added to the income of the assessee.

In light of the above discussion, assessee was show caused as to why the amount equal to the Rs.8,00,685/- should not be added in its declared income and be taxed at the hands of the assessee in the relevant Assessment Year and appropriate penalty proceedings be initiated.

In response to Show Cause Notice dated 15/03/2025 the assessee has filed neither any submission nor any application for adjournment, till date.

The assessee has provided copy of Order for provisional registration u/s 12A in form 10AC for AY 2022-23 to 2024-25 dated 04/04/2022. Further, the assessee has filed an e-application in Form No.10AB seeking registration u/sec.12AB of the Income-Tax act, 1961 which, was rejected by the Ld. CIT(E), Hyderabad vide its order dated 13/03/2024. The relevant portion of the said order is reproduced here under:


3. *However, there is no compliance from the assessee so far, and has not filed any information or documentary evidence. In light of the above facts, the application for registration in Form No.10AB is considered carefully. As the case is to be decided in time bound manner, after considering the facts and non-submission of mandatory Information, the application filed by the assessee in Form No.10AB seeking registration u/s 12AB, is herewith rejected.*

In view of the above it is clear that the assessee is not liable to avail exemption u/s 11 of the Act as the application for seeking regularization of registration u/s 12A in form 10AC is rejected by the Ld. CIT(E), Hyderabad vide its order dated 13/03/2024.

In absence of any valid registration order or provisional registration order u/s 12A of the Act, the assessee is not liable to avail exemption u/s 11 of the Act. Therefore, the entire amount u/s 11 of the Act i.e. Rs.8,00,685/- is hereby disallowed and added back to the total income of the assessee. (Addition Rs.8,00,685/-)”

6.1. Thus, the Assessing Officer has proceeded on the basis of the order passed by the learned CIT(E) dated 13.03.2024 to disallow the claim of exemption u/sec.11. Further, thereafter the learned CIT(E) granted registration

u/sec.12AB(1)(b) of the Act vide order dated 16.09.2025
which reads as under:

		GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT ITBA/EXM/F/EXM44/2025- 26/1080767074(1) CIT(EXEMPTION), HYD	
To, NELLORE PINAKINI LIONS TRUST SRI KOTA RAMESH BABU , 11-206 BRAHMANA STREET SANTHA PET NELLORE 524001 ,Andhra Pradesh India			
PAN: AADTN0776D	Application No: CIT(EXEMPTION), HYD/2025- 26/12AA/11244	DIN & Notice No: ITBA/EXM/F/EXM44/2025- 26/1080767074(1)	Date: 16/09/2025
FORM NO. 10AD (See rule 2C or 11AA or 17A) Order for registration or approval or rejection or cancellation			
1.	Permanent Account Number (PAN) of the applicant	AADTN0776D	
2.	Name and address of the applicant	NELLORE PINAKINI LIONS TRUST SRI KOTA RAMESH BABU , 11-206 BRAHMANA STREET SANTHA PET , NELLORE 524001 Andhra Pradesh, India	
2A.	Nature of activities	Charitable	
3.	Document Identification Number	ITBA/EXM/F/EXM44/2025-26/1080767074(1)	
4.	Application Number	CIT(EXEMPTION), HYD/2025-26/12AA/11244	
5.	Registration/Approval Number (Unique Registration Number)	AADTN0776D25HY01	
6.	Section/sub-section/clause/sub-clause/proviso in which registration/approval is being granted	12AB(1)(b)	
7.	Date of registration/approval/registration/cancellation	16/09/2025	
8.	Assessment year or years for which the trust or institution is registered or approval	2022-23 to 2026-27 ✓	
9.	Reasons of rejection/cancellation, in case if the application for registration/approval has been rejected or cancelled	Not Applicable	
10.	Date of opportunity afforded to the applicant before such rejection or cancellation of application for registration/ approval	Not Applicable	

11. Order for registration/approval:
<p>a) After considering the application of the applicant and the material available on record, the applicant is hereby granted registration/approval for the assessment year(s), mentioned at serial no 8 above subject to the conditions mentioned in row number (12).</p> <p>b) The taxability, or otherwise, of the income of the applicant would be separately considered as per the provisions of the Income Tax Act, 1961.</p> <p>c) This order is liable to be withdrawn by the prescribed authority if it is subsequently found that the activities of the applicant are not genuine or if they are not carried out in accordance with all or any of the conditions subject to which it is granted, if it is found that the applicant has obtained the approval by fraud or misrepresentation of facts or it is found that the assessee has violated any condition prescribed in the Income Tax Act, 1961.</p>
12. Conditions subject to which registration/approval is being granted:
<p>The approval is granted subject to the following conditions: -</p> <p>As per annexure below.</p>
<p>13. Name and designation of the approving authority BALA KRISHNA BATTULA CIT(EXEMPTION), HYD</p>

6.2. Thus, the registration granted u/sec.12AB(1)(b) of the Act was for the period w.e.f. assessment year 2022-2023 to 2026-2027 which covers the assessment year under consideration. Accordingly, in view of the fact that the assessee was granted registration u/sec.12AB(1)(b) of the Act by the learned CIT(E), the issue of allowability of exemption u/sec.11 needs to be reconsidered. Hence, in the facts and circumstances of the case, we set aside the order of the learned CIT(A) and remit the matter to the record of the Assessing Officer to reconsider the claim of the assessee in light of the registration u/sec.12AB(1)(b) of the Act granted

by the learned CIT(E) vide order dated 16.09.2025. Needless to say, the assessee be given an appropriate opportunity of hearing before passing the fresh order.

7. In the result, appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open Court on 30.01.2026.

Sd/-
[OMKARESHWAR CHIDARA]
ACCOUNTANT MEMBER

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Hyderabad, Dated 30th January 2026.

VBP

Copy to

1.	Nellore Pinakini Lions Trust, No.11-206, Brahma Street, Santha pet, Nellore-524 001.
2.	The Income Tax Officer, Exemption Ward, GUNTUR. Andhra Pradesh
3.	The Pr. CIT, Guntur.
4.	The DR ITAT "SMC" Bench, Visakhapatnam
5.	Guard File

//By Order//

//True Copy//