

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

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA.No.326/Hyd/2025**

Assessment Year 2017-2018

SRI SOMESHWARA LAXMI NARASIMHA SWAMY TEMPLE, PALAKURTHY, WARANGAL – 506 252. Telangana. PAN AAGAS8382Q	vs.	The Income Tax Officer, Ward-3, WARANGAL – 506001
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by :	CA KA Sai Prasad	
राजस्व द्वारा/Revenue by :	Dr. Sachin Kumar, Sr. AR	
सुनवाई की तारीख/Date of hearing:	29.01.2026	
घोषणा की तारीख/Pronouncement:	06.02.2026	

आदेश / ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

This appeal by the Assessee is directed against the Order dated 27.02.2024 of the learned CIT(A)-National Faceless Appeal Centre [in short "NFAC], Delhi, for the assessment year 2017-2018.

2. There is a delay of 301 days in filing the present appeal. The assessee has filed petition for condonation of delay which is supported by the affidavit of the Executive Officer. The learned Authorised Representative of the Assessee has submitted that the appeal before the learned CIT(A) was filed through the Chartered Accountant who mentioned the email address of the Temple. However, the management of the temple as per the Endowment Act is vested with the Executive Officer appointed by the Government under the said Act and therefore, the impugned order passed by the learned CIT(A) did not come to the knowledge of the Executive Officer as well as other administrative staff of the assessee. He has further pointed out that the Temple Office does not have computer or internet facility. The earlier Chartered Accountant was not available and therefore, the temple appointed another Chartered Accountant in October, 2024 to handle the tax matters of the assessee. When the Chartered Accountant verified from the IT portal, he found that the impugned order was already passed by the learned CIT(A) on 27.02.2024 and only then

the assessee came to know about the impugned order passed by the learned CIT(A) result in a delay of 301 days in filing the present appeal. The learned Authorised Representative of the Assessee has further submitted that the Executive Officer Smt. B Laxmiprasanna was also away on study leave for some time which has also caused the delay and she has again rejoined the duty as Executive Officer of the Assessee Temple after availing the study leave. He has relied upon the Order of the Tribunal in assessee's own case for the assessment year 2024-2025 and submitted that the delay of 275 days was condoned by the Tribunal on identical facts and reasons vide order dated 22.08.2025 in ITA.No.141/Hyd./2025. Thus, the learned Authorised Representative of the Assessee has pleaded that the delay of 301 days in filing the present appeal may be condoned.

3. On the other hand, the learned DR has submitted that the assessee has not explained any 'sufficient cause' for the delay.

4. We have considered the rival submissions and carefully perused the contents of the affidavit explaining the

cause of delay. At the outset, we note that this Tribunal in assessee's own case for the assessment year 2024-2025 vide Order dated 22.08.2025 in ITA.No.141/Hyd./2025 has considered the condonation of delay in filing the appeals in Para Nos.15 and 16 as under:

"15. We have considered the rival submissions as well as perused the impugned order passed by the Ld. CIT(E). We have also gone through the contents of the affidavit filed by the Executive Officer, which is reproduced as under:

AFFIDAVIT.

I, Laxmi Prasanna Bagam, w/o Sri Vishavaksen chaudary, aged about 30 years, Executive Officer during the relevant period, do hereby state as follows:

- (1) I was working as the Executive Officer upto December 2024 of the Sri Someshara Laxmi Narasimha Swamy Temple, Palakurthy.
- (2) Provisional Registration u/s 12A(1)(ac) was granted on 19-09-2022 for the assessment years 2023-24 to 2025-26.
- (3) Application for permanent registration form No.10 was filed on 06-09-2023 by the then Chartered Accountant, who gave the mail address, "slaxminarasimhaswamytemple@gmail.com."
- (4) The temple administrative staff and myself do not know the mail address, the user ID and password and, therefore, the information about the passing the order u/s 12AA (in form 10AD), rejecting the registration, is not available to us. Further, the temple office does not even have a computer or net connection.



- (5) The earlier Chartered Accountant was not available and, therefore, another Chartered Accountant, Sri U.Ravikumar has been appointed to look into the tax matters of the temple in October 2024.
- (6) Sri U.Ravikumar, CA, filed on 16-10-2024, the Incometax Return for the assessment year 2024-25, claiming exemption u/s 12A.
- (7) Sometime during 3rd week of January 2025, Sri Ravikumar was asked to find out the issue of registration u/s 12A by me. He then verified the IT portal of the Temple and found the order u/s 12A, in form 10AD, rejecting the registration passed on 26-02-2024 itself.
- (8) Immediately thereafter, Sri K.A.Sai Prasad, Chartered Accountant, was contacted and the appeal before the Incometax Appellate Tribunal, against the above order u/s 12A dt.26-02-2024, was filed on 30-01-2025 causing a delay of 275 days.
- (9) I submit that the delay was not intentional and was due to non availability of information and hence it is prayed that the Hon'ble Income Tax Appellate Tribunal be pleased to condone the delay.

Signed before me.


(Laxmi Prasanna Bagam)
DEPONENT

Executive Officer
Sri Someshwara Laxmi Narasimha Swamy Devasthanam
Vill. & Mdl. Palakurthy, Dist. Jangaon.

16. *Since the application of the assessee for registration u/s 12AB was rejected due to non-filing of the relevant details on record and non-compliance of notice issued by the Ld. CIT(E), therefore, in the facts and circumstances of the case, when the assessee temple is managed by the administrator/Executive Officer appointed by the Government under the Endowment Act and delay in filing the appeal has occurred due to the*

confusion between the Executive Officer and temple staff about the impugned order sent to the e-mail ID of the assessee temple, then taking the lenient view, we condone the delay of 275 days in filing the present appeal, subject to cost of Rs.1,000/- to be deposited in the Prime Minister National Relief Fund, within a period of one month from the date of this order. It is made clear that the cost to be paid by the Executive Officer, who is responsible for the delay in filing the present appeal.

4.1. Thus, it is clear that on the identical reasons given by the assessee for the delay, the Tribunal has taken a lenient view and condoned the delay of 275 days in filing the appeal subject to cost of Rs.1000/- to be deposited in the Prime Minister's National Relief Fund. Hence, in the facts and circumstances of the case and in view of the earlier decision of this Tribunal, we take a lenient to condone the delay of 301 days in filing the present appeal subject to cost of Rs.1000/- [Rs. One Thousand only] to be deposited in the Prime Minister's National Relief Fund within a period of one month from the date of this order.

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

1. The learned Commissioner of Income Tax (Appeals),NFAC, is not justified in dismissing the appellant's ground and holding that the appellant-temple is not exempt u/s 23(BBA) of the Income-tax Act.
2. The learned Commissioner of Income Tax (Appeals),NFAC is not justified in confirming the addition of Rs. 1,23,19,258/- representing the amounts deposited on various dates in the different bank accounts of the appellant, without properly appreciating the facts of the appellant temple, i.e.,
 - (i) The temple was taken over by the State Government long back and management of the temple is by the Endowment Department of the State Government.
 - (ii) The accounts are maintained by the Officers of the Endowment Department.
 - (iii) The deposits in the bank account are only out of the (a) amounts found in the Temple Hundi, (b) the amounts received on sale of various tickets to the Pilgrim-bhaktas, etc., for which proper accounts are maintained.
 - (iv) The State Audit department audits the accounts of the Temple.
 - (v) The Office of the Temple is not having even a computer to verify the mails received from the Incometax Department and respond thereon .
3. The appellant reserves the right to add, amend, delete any of the ground or grounds during the course of the hearing.

6. The assessee is aggrieved by the Order of the learned CIT(A) confirming the denial of exemption u/sec.10(23)(BBA) of the Income Tax Act [in short "the Act"], 1061.

7. We have heard the learned Authorised Representative of the Assessee as well as the learned DR. At the outset, we note that an identical issue has been considered by this Tribunal in assessee's own case for the assessment years 2015-2016, 2016-2017 and 2018-2019 vide Order dated 22.08.2025 in ITA.No.1408 to 1410/Hyd./2024 in Para nos.10 to 12 as under:

“10. We have considered the rival submissions as well as the relevant material on record. The AO has assessed the entire donations received by the assessee to tax, without allowing any expenditure or deduction. The AO has also considered the provisions of section 10(23BBA), which shows that even the Revenue is not denying this aspect that the income is exempt u/s 10(23BBA) in respect of the temple/Trust, whose administration is under the control of the Government as per the Endowment Act. The AO has made the addition on the ground that the assessee has not filed any record to show that the assessee is a public/religious/charitable Trust falling under the provisions of section 10(23BBA) of the Act. The relevant observation of the AO is as under:

As per section 10(23BBA) the exemption of income is available only for public religious or charitable purposes for which no evidence has been provided by you. The circular dated 11.03.2016 issued by Department of Revenue, of Govt. of Andhra Pradesh and copy endorsed to commissioner Endowments Hyderabad, is of no help as the same is not issued by the Income Tax Department. Similarly Form 10AC is and not for the year under consideration. To sum up the evidence filed by you doesn't support the fact that you are not required to file the Income Tax Returns. You were also required to file the P&L account, balance sheet etc as mandated by the provisions of Income Tax Act.

From the facts it is amply clear that more than sufficient opportunities have been allowed to the assessee but the issues raised in the last questionnaire as reproduced above having impact on the determination of income remain unexplained due to non-compliance by the assessee. Thus the assessee has failed to discharge the onus cast upon it to prove the source of cash deposit totaling Rs. Rs. 61,14,408/- during the year under consideration. I am left with no other alternative but to treat cash deposit of Rs. 61,14,408/- as variation treating it as income in the hands of the assessee by invoking the provisions of section 69A of the Act.

11. Therefore, only because of non-representation of the assessee and non-compliance to the notice issued by the AO on the part of the assessee, the AO assessed the entire donation to tax. The AO has not given the finding that the provisions of section 10(23BBA) are not applicable on the income of the assessee. Even otherwise, the AO is duty bound to assess the correct income of the assessee, while framing the assessment on best judgment basis and cannot assess the income of the assessee in arbitrary manner. The Coordinate Bench of this Tribunal in the case of Zoos and Parks Authority of Telangana Vs. DCIT (supra) has also considered this issue in para 9 as under:

“9. Having said so, let us come back to the assessment of income of the assessee society. The Assessing Officer having rejected the exemption u/sec.11 of the Act has considered gross receipts of the assessee society for the purpose of taxation. It was the argument of the Learned Counsel for the Assessee that, in case exemption is denied u/ sec.11 of the Act, then, income of any trust or institution or society should be considered under normal provisions of the Act and ought to have allowed the expenditure/ deduction and only net income as per the financial statements should be brought to tax. In this case, the Assessing Officer after rejecting exemption u/sec.11 of the Act has taxed gross receipts without allowing deduction towards expenditure. It is well settled principle of law that, once the income of any Trust/Institution or Society is considered as AOP and assessed under normal provisions of the Act, then, all permissible deductions including expenditure incurred out of said income should be allowed as deduction. This view is supported by the decision of ITAT-C-Bench, Chennai in the case of Kingston Educational Trust vs., DCIT (supra) where the Tribunal after considering certain judicial precedents in light of Judgment of Hon’ble Madhya Pradesh High Court in the case of Kaluram Ganeshram (HUF) vs., CIT [1988] 172 ITR 154 (MP) held that, only net income needs to be taxed. Therefore, we are of the considered view that, the Assessing Officer and the learned CIT(A) are erred in taxing gross receipts of the assessee society instead of net income as per the financial statements. However, fact remains that since the assessment order is u/sec.143(1), the

Assessing Officer does not have an occasion to verify the correctness of various expenditure claimed by the assessee. Therefore, in our considered view, the matter needs to go back to the file of Assessing Officer for further verification. Thus, we set aside the orders of the learned CIT(A) and restore the issue back to the file of Assessing Officer for reconsideration of the issue. The Assessing Officer is directed to verify the claim of the assessee society in light of relevant books of accounts and financial statements furnished by the assessee society and allow the claim of deduction towards various expenditure out of income and tax only the net income as per the financial statements of the assessee filed for all the assessment years. Accordingly, all the appeal of the assessee society are allowed for statistical purposes.”

12. *Accordingly, in the facts and circumstances of the case, the impugned order of the Ld.CIT(A) is set aside and the matter is remanded to the record of the AO for fresh adjudication, after giving one more opportunity of hearing to the assessee.”*

8. Accordingly, to maintain the rule of consistency the impugned order of the learned CIT(A) is set aside and the matter is remanded to the record of the Assessing Officer for fresh adjudication to assess the correct income of the assessee after allowing the deduction of expenditure against the receipts/ income. Needless to say, the assessee be given

an appropriate opportunity of hearing before passing the fresh order.

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

Order pronounced in the open Court on 06.02.2026.

Sd/-
[MADHUSUDAN SAWDIA]
ACCOUNTANT MEMBER

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Hyderabad, Dated 06 February, 2026

VBP

Copy to:

1.	SRI SOMESHWARA LAXMI NARASIMHA SWAMY TEMPLE, PALAKURTHY, WARANGAL – 506 252. C/o. Katrapati & Associates, 1-1-298/2/B/3, Sowbhagya Avenue Apts. 1 st Floor, Ashok Nagar, Street No.1, Hyderabad – 500 020. Telangana.
2.	The Income Tax Officer, Ward-3, D.No.1-8-610, 3 rd Floor, Mayuri Complex, Opp. TSNPDCL Bhawan, Nakkalagutta, HANAMKONDA, WARANGAL – 506001
3.	The Pr. CIT, Hyderabad.
4.	The DR, ITAT, “B” Bench, Hyderabad.
5.	Guard file.

BY ORDER