

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH : BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE – PRESIDENT
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA Nos. 2233 & 2234/Bang/2025
Assessment Year : NA

M/s. Kalidasa Mathu Sangollirayanna Vidyarthi Nilayada Hale Vidyarthigala Sangha, No. 30, Balaji Krupa, 1 st Floor, 2 nd Main Road, Seshadripuram S.O., Bangalore North, Bangalore – 560 020. PAN: AAJAK8154H	Vs.	The Commissioner of Income Tax (Exemptions), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Ms. Shreesha N, CA
Revenue by	:	Shri Shivanand Kalakeri, CIT-DR

Date of Hearing	:	09-02-2026
Date of Pronouncement	:	12-02-2026

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

These are the appeals filed by the assessee challenging the orders of the Ld.CIT(E) in which the registration sought for u/s. 12AB and the approval sought for u/s. 80G(5) were rejected by orders dated 29/03/2025 and 14/03/2025 respectively and raised the following grounds:

ITA No. 2233/Bang/2025

“1. That the order of the Commissioner of Income Tax (Appeals) in so far it is prejudicial to the interests of the appellant is bad and erroneous in law and against the facts and circumstances of the case

2. That the learned Commissioner of Income Tax (Exemptions) erred in law and facts in denying or rejecting the Registration under Section 12AB of the Income Tax Act, 1961, vide Order dated 29-03-2025, on the ground that the assessee has not provided certain information and documents, and such finding is perverse as such information and documents were never sought by the learned Commissioner of Income Tax (Exemptions) during the proceedings.

3. That the learned Commissioner of Income Tax (Exemptions) erred in law and on facts in holding that the Appellant has not provided the copy of the Bank Statements for certain period, which was never sought during the proceedings.

4. That the learned Commissioner of Income Tax (Exemptions) erred in law and on facts in holding that the assessee's financial statements for two years will not be considered since the same are filed in ITR Form 5. and such finding is perverse and irrelevant in granting the Registration under Section 12AB of the Act.

5. That the learned Commissioner of Income Tax (Exemptions) ought to have considered the activities and objects of the Trust and the financial statements for all the relevant years and ought to have granted the Registration under Section 12AB of the Act.

Each of the above grounds is without prejudice to one another, the appellant craves the leave of Hon'ble Income Tax Appellate Tribunal, Bangalore to add, delete, amend or otherwise modify all or any of the grounds of appeal either before or at the time of hearing of this appeal.”

ITA No. 2234/Bang/2025

“1. That the order of the Commissioner of Income Tax (Appeals) in so far it is prejudicial to the interests of the appellant is bad and erroneous in law and against the facts and circumstances of the case

2. That the Learned Commissioner of Income Tax (Exemptions) erred in law and on facts in rejecting the application filed under Section 80G of the Act, vide Order dated 14-03-2025, on the ground of wrong selection of code while applying in Form 10AB for approval under Section 80G(5)(iv) of the Act, and such reason is erroneous and liable to be quashed.

3. That the Learned Commissioner of Income Tax (Exemptions) ought to have provided an opportunity of being heard for making correction in the Form 10AB and ought to have granted the approval under Section 80G of the Act.

Each of the above grounds is without prejudice to one another, the appellant craves the leave of Hon'ble Income Tax Appellate Tribunal, Bangalore to add, delete, amend or otherwise modify all or any of the grounds of appeal either before or at the time of hearing of this appeal.”

2. The brief facts of the case are that the assessee is a registered charitable trust and got their provisional registration and provisional approval. Subsequently, the assessee filed applications for getting the permanent registration u/s. 12AB of the Act as well as the approval u/s. 80G of the Act. The assessee also filed their ITR-5 for the A.Ys. 2022-23 and 2023-24 and ITR-7 for A.Y. 2024-25. The Ld.CIT(E) after going through the financial statements submitted for the A.Y. 2024-25, had observed that the assessee had not furnished any supporting documents for the payment of scholarships to medical students and also the bank statements were not furnished and rejected the application. Similarly, in respect of the approval sought for u/s. 80G(5) of the Act, the Ld.CIT(E) had rejected the said application on the ground that the assessee had applied under the wrong provision.

3. The assessee has challenged both the proceedings before this Tribunal. These two appeals were filed with a delay of 129 days and also filed an application to condone the said delay. In the affidavit, the assessee narrated the reasons for the belated filing of the appeal. The assessee submitted that on receipt of the rejection order of the Ld.CIT(E), they were under the impression that they have to apply again for registration and also applied for registration on 09/06/2025. The assessee came to know that the proper course of action to be taken by them is filing an appeal before this Tribunal as against the rejection order when the Ld.CIT(E) had rejected their second application on 06/09/2025. Thereafter the assessee made arrangements and the appeals were filed on 07/10/2025 with a delay of 129 days and prayed to condone the said delay. We have considered the said

submissions made by the assessee and we are convinced that assessee had sufficient cause for not filing the appeal in time before this Tribunal and therefore, in the interest of justice, we are condoning the said delay of 129 days and proceeded to decide the appeals on merits.

4. At the time of hearing, the Ld.AR submitted that the Ld.CIT(E) had not specified the reasons for rejecting the application for registration and also erred in rejecting the application for approval u/s. 80G by stating that the assessee had mentioned a wrong section. The Ld.AR also submitted that before rejecting the applications, the assessee was not provided an opportunity of being heard and therefore prayed to allow the appeals.

5. The Ld.DR relied on the orders of the Ld.CIT(E) and prayed to dismiss the appeals.

6. We have heard the arguments of both sides and perused the materials available on record.

7. Insofar as the registration sought for u/s. 12AB of the Act is concerned, we have perused the impugned order of the Ld.CIT(E) from which we are not able to find any valid reasons for rejecting the said application. Admittedly, in the annual financial statements, the assessee had shown an expenditure of paying the scholarship to the medical students and therefore it can be construed that the assessee is doing the charitable activity and therefore they are eligible for getting registration u/s. 12AB of the Act. Further, the Ld.CIT(E) had not communicated the reasons after going through the financial statements, to the assessee so that the assessee could have explained the facts before her. Unfortunately, the Ld.CIT(E) had not communicated the reasons for rejecting the application before passing the impugned order and therefore we are of the view that the Ld.CIT(E) had not considered the application and also not granted a reasonable opportunity of being heard to the assessee before rejecting the said application. As per section 12AB(1)(b)(ii)(B) of the Act, the Ld.CIT(E) ought to have granted a personal hearing before rejecting the application. Further, the Ld.CIT(E)

had not stated any reasons except the non-submission of the documents in support of the disbursement of the scholarship. We, therefore set aside the order of the Ld.CIT(E) and remit the same to the Ld.CIT(E) for denovo consideration. The Ld.CIT(E) should also grant an opportunity of being heard to the assessee and also should receive the documents if any from the assessee before passing the order.

8. Insofar as the rejection of the application sought for approval u/s. 80G of the Act, the Ld.CIT(E) had simply rejected the said application only on the reason that the assessee had mentioned a wrong provision. We do not find that the order of the Ld.CIT(E) in rejecting the said application for the wrong mentioning of the provision is correct. The Ld.CIT(E) could have granted an opportunity to the assessee to rectify the said defects. But unfortunately, the Ld.CIT(E) had straightaway rejected the application which in our view is not correct. We, therefore set aside the said order also with a direction to the Ld.CIT(E) to permit the assessee to correct the mistake or to treat the said application as application filed under the correct provision of the Act and thereafter decide the application on merits and in accordance with law.

9. We, therefore set aside both the orders of the Ld.CIT(E) and remit these issues to the file of the Ld.CIT(E) for denovo consideration, after hearing the assessee.

10. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 12th February, 2026.

Sd/-
(PRASHANT MAHARISHI)
Vice – President

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 12th February, 2026.
/MS /

Copy to:

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

By order

Assistant Registrar,
ITAT, Bangalore