

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

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

**ITA No.1803/Bang/2025
Assessment Year : 2026-27**

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| M/s. Sree Jeshta Laxmi Welfare and Charitable Trust, No.50, Karnataka Layout, 2 nd Cross, Basaveshwara Nagar, Bengaluru – 560 079. PAN : AAKTS 9479 B | Vs. | CIT (Exemptions), Unity Building Annexe, Mission Road, Bengaluru. |
| APPELLANT | | RESPONDENT |

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| Appellant by | : | Shri. Rajeev Nulvi, Advocate |
| Respondent by | : | Shri. Muthu Shankar, CIT(DR)(ITAT), Bangalore. |

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| Date of hearing | : | 08.01.2026 |
| Date of Pronouncement | : | 26.02.2026 |

ORDER

Per Prashant Maharishi, Vice President :

1. ITA No.1803/Bangalore/2025 is filed by Sree Jeshta Laxmi Welfare and Charitable Trust (the assessee/appellant) against the order passed by the Commissioner of Income Tax (Exemptions), Bangalore, in Form No.10AD, dated 20.03.2025, rejecting the application for registration in Form No.10AB filed by the assessee on 27.09.2024.
2. The appeal filed before us is delayed by 75 days as it is filed on 14.08.2025 against the order received by the assess on 20.03.2025. The assessee has filed application for condonation of delay stating that originally the Trust was registered under section 12A of the Act since 02.12.2011. Due to the change in the provision, the assessee applied for registration under section

12AB which was granted to the assessee on 27.05.2021 for Assessment Years 2021-22 to 2023-24. On 27.09.2024, assessee applied for registration. The order rejected the registration was passed on 20.03.2025. The reason for the delay is that the tax consultant of the assessee did not have the knowledge of the taxation of the charitable trust and further he was not aware about the procedure to file appeal against rejection of registration. Therefore, assessee contacted Mr. Rajeev Nulvi, Advocate, on 08.08.2025 who advised the assessee Trust to file an appeal against such rejection before the ITAT. He further advised that time limit for filing of the appeal has already lapsed, the application is also required to be made for condonation of delay. Therefore, on that basis, the appeal was filed on 14.08.2025. Thus, it caused a delay of 86 days which is for the reason that assessee was unaware about the provisions and so was the tax consultant of the appellant and there was change in the procedure for registration, etc., which has caused the delay.

3. The learned Authorized Representative (learned AR) Mr. Rajeev Nulvi, Advocate, reiterated the reasons for the delay and submitted that delay of 86 days may be condoned as it is sufficient reason.
4. The learned CIT(A) (learned DR) Mr. Muthu Shankar vehemently submitted that there is no sufficient cause shown by the assessee. Hence, delay may not be condoned.
5. We have carefully considered the rival contentions and perused the application for condonation of delay. We find that the Order for rejecting the registration was passed on 20.03.2025. The assessee Trust is not aware about the changed provisions of the law and therefore assessee could not file appeal. When properly advised, assessee immediately filed such appeal. The unawareness about the changed procedure in the registration

of the Trust coupled with the ignorance of the tax advisory and inability to file the appeal before ITAT and when advised correctly, immediately responding by filing the appeal clearly shows that there is sufficient cause for delay in filing appeal. The delay is unintentional and Bonafide. Hence, we condone the delay and admit the appeal of the assessee.

6. Brief facts of the case shows that assessee is a Trust created by the Trust Deed dated 15.09.2021. it is registered under section 12AA of the Act since 02.12.2011. Due to the change in the provisions of the law of registration of Trust, assessee obtained provisional registration on 27.05.2021. For regularization of final registration, assessee filed an application in Form No.10AB on 27.09.2024 which is in fact delay by 5 months and 26 days as the provisional registration was granted upto Assessment Year 2023-24. The application filed by the assessee was referred to the jurisdictional AO for verification by the learned CIT(E). The jurisdictional Officer as well as the range head gave their opinion that the object of the Trust is charitable. However, as per the financial statement, the main income is donation, and the expenditure is salary and some administrative expenditure. Before them, the Trust did not furnish the details of the expenditure that these are incurred for the object of the Trust. The assessee also did not furnish the bank statement and it categorically stated on 18.11.2024 that these details are not available. Further, the assessee filed Form No.10AB. Beyond the specified limit, it was recommended that the application is liable for rejection. Accordingly, the application of the assessee was rejected. The assessee submitted that assessee was granted registration in Form No.10A on 20.05.2020 and it should continue for a period of 5 years. Therefore, there is no delay as time is available upto 30.09.2025. Assessee also stated that even otherwise, the delay in filing of the Form is merely procedural which should not have

resulted into rejection of the application. Accordingly, it was submitted that the Order of the learned CIT(E) deserves to be set aside.

7. The learned Departmental Representative (learned DR) vehemently submitted that there is a specific time limit provided by the law within which assessee should have filed application for registration of Trust under section 12AB. The assessee did not file and therefore the only option left with the assessee is to file application for condonation of delay before the Principal CIT under section 119(2)(b) of the Act. Even otherwise, he submitted that the assessee has not furnished the requisite details and therefore in absence of these details registration could not be granted.
8. We have considered the rival contention and perused the orders of the lower authorities. It is a fact that assessee was originally granted provisional registration upto Assessment Year 2023-24 and therefore for the regularization of the registration, the assessee should have filed the application on or before 31.03.2024. the assessee filed such application on 20.03.2025. The process of the registration and the timeline set therein are provided under the Act and therefore those cannot be held to be merely procedural in nature and not mandatory. As the application is filed late by the assessee, the only option left with the assessee is to make application under section 199(2)(b) of the Act before the learned Principal CIT for condonation of delay.
9. Even otherwise on the merit of the case, we find that the assessee has not submitted the annual accounts for Financial Year 2020-21 till 2023-24 and further it also did not submit the bank statements as asked by the jurisdictional AO. For these reasons, the application of the assessee was rejected.

10. However, we find that the provisions of section 12AB of the Act provides that if the CIT(E) is not satisfied about the genuineness of the activities of the Trust or compliance of such requirement of any other law then he has to pass an order in writing which he has already done but that should be passed only after affording reasonable opportunity of being heard to the trust. In this case, we find that the order rejecting the application is merely 2 paragraphs order; in the first paragraph, the report of the jurisdictional AO is extracted and in paragraph No.2, in one line, the application is rejected. We do not find that there is any opportunity of being heard is granted to the assessee. In view of these facts, the order passed by the learned CIT(E) has violated the principles of natural justice and therefore not sustainable.
11. Further, the assessee has also not given complete details as mentioned in paragraph No.2 of the Order of the CIT(E) wherein the report of the jurisdictional AO is extracted.
12. In view of the above facts, if the assessee makes an application and the delay is condoned by the learned Principal CIT under section 119(2)(b) of the Act, filing Form No.10AB, the learned CIT(E) is directed to grant an opportunity of hearing to the assessee. Meanwhile, if the assessee thinks so, he may make an application for condonation of delay in filing Form No.10AB and furnish the requisite information not furnished before the learned CIT(E), within 90 days from the date of receipt of this order, which may be considered in accordance with law. Accordingly, the appeal filed by the assessee is allowed for statistical purposes.

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

Pronounced in the open court on the date mentioned on the caption page.

Sd/-
(SOUNDARARAJAN K)
Judicial Member

Sd/-
(PRASHANT MAHARISHI)
Vice President

Bangalore,
Dated : 26.02.2026.
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| 1. Appellants | 2. Respondent |
| 3. DRP | 4. CIT |
| 5. CIT(A) | 6. DR, ITAT, Bangalore. |
| 7. Guard file | |

By order

Assistant Registrar,
ITAT, Bangalore.