

IN THE INCOME TAX APPELLATE TRIBUNAL
"DB" BENCH, NAGPUR

BEFORE SHRI PAWAN SINGH, JM &
SHRI KHETTRA MOHAN ROY, AM

ITA No. 408/Nag./2024
(Assessment Year : 2022-23)

ITO, Ward-3,
BSNL RTTC Building,
Seminary Hills,
Maharashtra-440006.

..... Appellant

v/s

**Prerna Samajik Sanskritik
Bahuddeshiya Shikshan Sanstha,**
C/o Ambedkar Vidhyalaya,
Armori, Gadchiroli,
Maharashtra-441208.
PAN – AACTP8940N

..... Respondent

Revenue by : Shri Pankaj Kumar, CIT-DR
Assessee by : Shri Milind Bhusari, Adv.

Date of Hearing -18/02/2026

Date of Order - 25/02/2026

ORDER

Per: Khettra Mohan Roy, AM

The present appeal by the revenue is directed against the impugned order dated 17/05/2024, passed by the learned Commissioner of Income Tax (Appeal)/Addl/JCIT(A)-1, Chandigarh [for short, "*Id. CIT(A)*"] for the Assessment Year (A.Y.) 2022-23. *The Revenue has raised the following grounds of appeal:*

"A] *On the facts and circumstances of the case the Ld. Addl/Jt.CIT(A)-1, Chandigarh erred in directing the Assessing Officer to delete the addition of Rs. 4,95,83,899/-made under section*

143(1) of the Act by rejecting the claim of exemption u/s 11 of the Act without appreciating the fact that the CIT(E), Pune has rejected the application of the assessee trust in Form No 10AB and cancelled the provisional registration granted on 04/04/2022 vide order in Form No. 10AD on 23/09/2023 which makes the trust ineligible for claiming exemption u/s 11 of the Act as the assessee trust doesn't have a valid registration for the year under consideration which is a mandatory condition for claiming exemption u/s 11 of the Act as laid down in section 12A(1)(ac) of the Act.

B] On the facts and circumstances of the case the Addl/Jt CIT(A)-1, Chandigarh erred in directing the Assessing Officer to delete the addition of **Rs.4,95,83,899/-** made under section 143(1) of the Act by rejecting the claim of exemption u/s 11 of the Act without appreciating the fact that the assessee trust has filed its R.O.I. for the year under consideration on 24/12/2022 after the extended due date for filing of R.O.I for AY 2022-23 which makes the trust ineligible for claiming exemption u/s 11 of the Act as the assessee trust doesn't fulfil the condition as laid down in section 12A(1)(ba) of the Act for claiming exemption u/s 11 of the Act.”

2. The Id. CIT(A) has granted relief by holding as follows:

“Under these grounds, the appellant has challenged the denial of exemption of Rs.4,95,83,899/- claimed under section 11 of the Act. I have considered the submission made by the assessee and also gone through the material available. The CPC has denied the exemption claimed under section 11 of the Act on the ground that the Form No. 10B was not filed within the prescribed time limit and charged the tax on the entire receipts without giving benefit of expenditure towards objects of the trust. As submitted by the appellant, the CIT(Exemption), Pune has already condoned the delay in filing the Form No. 10B vide order dated 26-05-2023 under section 119(2)(b) of the Act. With condonation of delay so granted before processing under section 143(1), there was no basis with the

CPC for rejection of claim of exemption on account of delay in filing the Form 10B and therefore, adjustment made at the time of processing of return is not sustainable and therefore, adjustment made deserves to be deleted.

6. In view of the above facts, the both the grounds of appeal are allowed and accordingly, addition of Rs.4,95,83,899/- made under section 143(1)(a) of the Act by rejecting the claim of exemption under section 11 of the Act is deleted.”

3. At this juncture, it is worthwhile to refer to Circular no. 23/2022 dated 03.11.2022.

4. The Id. Sr. DR failed to bring any evidences to controvert the cogent findings of Id. CIT(A). Further, Circular no. 23/2022 strengthens the case of assessee, hence there is no merit in revenue's appeal.

5. In the result, the appeal of revenue is accordingly dismissed.

Order pronounced in the open Court on 25/02/2026

Sd/-
PAWAN SINGH
JUDICIAL MEMBER
Nagpur dated 25/02/2026

Sd/-
KHETTRA MOHAN ROY
ACCOUNTANT MEMBER

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

SK, SR. PS

By Order

Sr. Private Secretary
ITAT, Nagpur