

**IN THE INCOME TAX APPELLATE TRIBUNAL
PATNA 'DB' BENCH AT KOLKATA**

[Virtual Court]

Before

**SHRI SONJOY SARMA, JUDICIAL MEMBER
&
SHRI RAKESH MISHRA, ACCOUNTANT MEMBER**

**ITA No(s): 519/PAT/2025
Assessment Year(s): 2025-26**

Oosmania Trust (Appellant)	Vs.	CIT (Exemption), Patna (Respondent)
PAN: AAAT08162F		

Appearances:

Assessee represented by : Sunil Surana, FCA.
Department represented by : Md. A H Chowdhury, CIT (DR).
Date of concluding the hearing : 28-January-2026
Date of pronouncing the order : 24-February-2026

ORDER

PER RAKESH MISHRA, ACCOUNTANT MEMBER:

This appeal filed by the assessee is against the order of the Ld. Commissioner of Income Tax (Exemption)-Patna [hereinafter referred to as the 'Ld. CIT (Exemption)'] passed in respect of registration u/s 12AB of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') dated 11.09.2025.

2. The Assessee is in appeal before the Tribunal raising the following grounds of appeal:

"1. For that the Ld. CIT (E) erred in rejecting (t)he application for final registration and should have allowed the assessee proper and reasonable opportunity of being heard.

2. For that the Ld. CIT(E) erred in rejecting the application for final registration on the ground that the same was belatedly filed when the assessee being old trust, was prevented by sufficient cause from filing the application for final registration.



3. For that the Ld. CIT(E) erred in rejecting the application for final registration on the ground that there was no dissolution clause in the trust deed when the IT act do not provide that the trust deed should have specific dissolution clause, the trust was irrevocable and there was no clause in the trust deed for private benefit or alienation of the trust properties.

4. For that the Ld. CIT(E) erred in cancelling the provisional registration when there was no violation or specified violation of any of the provisions of sec 12AB(4).

5. For that on the facts and circumstances of the case the CIT(E) may please be directed to allow the final registration to the trust.”

3. Brief facts of the case as conveyed during the course of the hearing are that the assessee is an old Trust formed on 27.07.1978 and had filed an application in Form No. 10AB on 15.02.2025 for grant of regular registration under sub-clause (iii) of clause (ac) of sub-section (1) of section 12A read with section 12AB(1)(b) of the Act. During the course of the proceedings initiated u/s 12AB of the Act and in order to verify the objects of the applicant, the genuineness of the activities and the compliance with other laws relevant for achieving the stated objectives, the assessee was required to furnish several details. The assessee furnished certain details and another letter was issued requiring further details but no response was received as to why the application should not be treated as barred by limitation as it was filed late. Accordingly, in the absence of any response, it was held by the Ld. CIT(E) that the assessee had failed to establish the genuineness of its activities or to substantiate that such activities were being carried out in accordance with its stated charitable or religious objectives as required under the provisions of the Act. The application filed on Form No. 10AB seeking the regular registration under the provision of sub-clause (iii) of clause (ac) of sub-section (1) of section 12A read with section 12AB(1)(b) of the Act was rejected and the provisional registration granted u/s



12A(1)(ac)(vi) of the Act in Form No. 10AC dated 08.04.2022 for AY 2022-23 to AY 2023-24 was also cancelled.

4. Aggrieved with the order of the Ld. CIT (Exemption), the assessee has filed the appeal before the Tribunal.

5. Rival contentions were heard and the submissions made have been examined.

6. During the course of the hearing, it was stated that the assessee is an old trust and the adjournment sought should have been granted for 5 years. However, the assessee had applied under clause (iv) and not under clause (i) of the relevant provision incorrectly. It was stated that the approval was granted earlier under the old provisions prior to the amendment of the provisions relating to registration. The assessee filed a note on the arguments which is as under:

“The assessee is old trust formed on 27.07.1978. In support of the same copy of the trust deed is enclosed. The assessee made application under the new provisions under section 12A(1)(ac)(vi) and was granted such provisional registration on 8th April 2022 from Asst Year 2022-23 till Asst Year 2024-25. In support of the same copy of the Form 10AC granting such provisional registration is enclosed.

The assessee again made fresh application under section 12A(1)(ac) (iii) on 15.02.2025 which has now been rejected by the CIT exemption on the following two grounds:

- 1. That the fresh application filed on 15.02.2025 should have been made by 30.06.2024 which was extended by CBDT.*
- 2. That there was no dissolution clause in the trust deed*

In this connection, it is submitted that there was only seven months delay in filing the application for renewal of registration. The assessee trust is a

very old trust and the trustees were not conversant fully with the complex renewal of registration provisions in the Income Tax Act. Even the Hon'ble Supreme Court in the case of Motilal Padampat Sugar Mills Ltd vs. UP (1979) 118 ITR 326(SC) has held as follows: "It must be remembered that there is no presumption that every person knows the law." Therefore in view of the provisions of the first proviso to section 12A(1)(ac) the delay in filing the application for renewal of registration may please be condoned and issue may be remanded to the desk of the CIT(E) to consider the application of the assessee in accordance with law.

Further now the assessee Trust has already made an addendum to the trust deed incorporating the dissolution clause, copy of which is enclosed herewith. Therefore the issue may be remanded to the desk of the CIT(E) to consider the application of the assessee afresh in accordance with law."

7. The Ld. DR on the other hand, stated that the Ld. CIT (Exemption) had granted opportunity, the assessee availed the opportunity and there was no dissolution clause in the Trust deed, hence the registration was cancelled.

8. We have considered the facts of the case, the submissions made and the documents filed. After examining the facts of the case and the law, we deem it appropriate in the interest of justice and fair play that another opportunity needs to be granted to the assessee as it was an old trust and the registration should have been granted for 5 years but on account of application being filed under the incorrect clause, the registration was refused as it was not in time. Hence, we set aside the order of the Ld. CIT(Exemption) and restore the issue back to him to grant another opportunity of being heard as the assessee is an old Trust and had made the application under the wrong clause and therefore, was entitled for grant of approval for 5 years as per law. The Ld. CIT (Exemption) shall grant an opportunity of being heard and decide the



application as per law. Accordingly, the grounds taken by the assessee in his appeal are partly allowed for statistical purposes

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

Order pronounced in the open Court on 24th February, 2026.

Sd/-

[Sonjoy Sarma]
Judicial Member

Sd/-

[Rakesh Mishra]
Accountant Member

Dated: 24.02.2026

Bidhan (Sr. P.S.)



Copy of the order forwarded to:

1. **Oosmania Trust, Motipur, Baruraj, Muzaffarpur, Bihar, 843111.**
2. **CIT (Exemption), Patna.**
3. CIT(A)-
4. CIT-
5. CIT(DR), Patna Benches, Patna.
6. Guard File.

// True copy //

By order

Assistant Registrar
ITAT, Kolkata Benches
Kolkata