



IN THE INCOME TAX APPELLATE TRIBUNAL, PANAJI BENCH, GOA
BEFORE HON'BLE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER
AND
SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER
ITA Nos. 233 & 234/PAN/2025

Yakshit Yuva Foundation
O/o Taekwondo Master Rao,
1st Fl, Gadekar Complex,
P B Road, Kakati S.O., Belagavi.
PAN : AAATY9435D

..... *Appellant*

V/s

The Commissioner of Income Tax,
Exemption, Bangalore.

..... *Respondent*

Appearances

Assessee by : Mr Shreepada Ravi Rao ['Ld. AR']

Revenue by : Mr Azar Zain ['Ld. DR']

Date of conclusive Hearing : 12/02/2026

Date of Pronouncement : 06/03/2026

ORDER

PER G. D. PADMAHSHALI;

The present twin appeals of the assessee are assailed against twin orders of Ld. Commissioner of Income Tax (Exemption), Bangalore ['CIT(E)'] both dt. 26/06/2025 passed u/s 12AB(4) & 80G(5) of the Income-tax Act, 1961 ['the Act'] whereby the application for grant of regular 12AB & 80G registrations were rejected.



2. Since facts involved in this twin appeals and issue dealt therein are common & interconnected, on rival party's joint request these appeals for the sake of brevity & convenience are heard together for being disposed of by this common & consolidated order.

3. ***Tersely stated common facts borne out of case records are that;*** the assessee is a public charitable trust established on 14/11/2022 and registered on 16/11/2022. Pursuant to separate applications filed under amended provisions of the Act, the assessee Trust was accorded provisional registrations u/s 12AB r.w.s. 12A(1)(ac)(vi) and also 80G of the Act on 24/03/2023. The said provisional registrations were valid for AY 2023-24 to 2025-26. Pursuant to such provisional registrations the assessee in seeking grant of regular registration u/s 12A(1)(ac)(iii) under the category of charitable institution etc., e-filed an



application in Form No 10AB on 13/12/2024.

Further in addition to above the assessee Trust by separate application in Form No 10AB of even date had also applied for grant of 80G certificate u/s 80G(5)(iii) of the Act.

4. The Ld. CIT(E) in-order to verify objects, activities and to ascertain the fulfilment of conditions for granting registration u/s 12AB and recognition u/s 80G of the Act was put the assessee to notice dt. 23/05/2025 which were effectively replied by the assessee. After considering material placed on records, the Ld. CIT(E) came to reject the application on twofold grounds (i) the application was time barred and (ii) the predominant activity of providing training does not constitute a 'charitable purpose' within the meaning of section 2(15) of the Act and thus denied to grant regular registration u/s 12AB of the Act.



5. As a corollary the application for grant of regular 80G recognition was also rejected by Ld. CIT(A) on a like reasons as paraphrased hereinbefore.

6. Aggrieved by the aforestated rejections the assessee trust has set-up these twin appeals against respective impugned orders alleging the action of Ld. CIT(E) on as many as four separate ground which are argumentative in nature, hence reproduction thereof the purpose of our adjudication deemed unfit in view of the rule 8 of the Income Tax Appellate Tribunal Rules, 1963 [‘ITAT-Rules’]. However it shall suffice to state that, the solitary issue in present appeals revolves around as to whether an activity of **‘Specified sport /game Training’** constitutes ‘education’ or ‘advancement of any other object of general public utility’ [‘GPU’] thus within the scope of ‘charitable purpose’ as defined u/s 2(15) of the Act.



7. We have heard both rival parties; and subject to the provisions of rule 18 of ITAT Rules, perused material placed on record and considered the facts in the light of settled position of law.

A. Applications for registration were Time Barred

8. We note that, in this twin cases the appellant trust right from the date of its formation on 14/11/2022 claimed to have commenced its activities which was accepted by the Revenue and accordingly on such basis provisional registrations u/s 12AB & 80G were granted to the appellant on 24/03/2023. Since the activities of the appellant were already commenced prior to grant of former provisional registrations, therefore the appellant was under obligation to apply for regular registration separately within a period six months from such grant of provisional registrations.



9. However, the appellant admittedly have applied for regular registrations after the expiry of such period of six month from the grant of provisional registration. As solidified by both the parties that said twin applications were time barred in law. The Ld. CIT(A) therefore rejected the twin applications as time barred in first place. Having done so, the Ld. CIT(A) further travelled on merits and after a threadbare discussion rejected the applications on merits as well.

10. We note that, in view of CBDT Circular No. 02/2020 dt. 03/01/2020 the Ld. CIT(E) was empowered to consider and deal with any delay upto 365 days in filing of forms/applications etc, however without first calling the appellant to explain reasons behind such delay, rejected the twin applications as barred by limitation and having done so Ld. CIT(E) advanced on merits of the case for rejections.



11. In our thoughtful consideration, when an application or appeal is barred by limitation and the adjudicating or appellate authority who is in law empowered to condone the delay, having noted such fact of time barred application/appeal, deals therewith in the order and then if proceeds on merits of the matter then it is good enough to sweepingly infer that, said adjudication on merits in law succeeded only upon due admission of belated application or appeal, thus by deemingly condoning the delay in filing of such application or instituting of such appeal as the case may be. We found this proposition fortified in the case of '*Shyam Sunder Sarma Vs Pannalal Jaiswal* [2005, 1 SCC 436(SC)] which in turn followed the larger bench decision rendered in '*Sheodan Singh Vs Daryao Kunwar*' [AIR 1966, SC 1332] by the Hon'ble Apex Court.



12. A similar direction can also be found in the recent judgment of Hon'ble Apex Court in the case of '*Dilip Kumar Vs Esque Finamark Pvt Ltd.*' [2025, INSC 102] wherein their hon'ble lordship made it clear that, 'the merits of the case can be examined by the adjudicating or appellate forum only when delay (if any) in filing such application or appeal is condoned and not otherwise.

13. On the other hand, we also note that, in the recent judgment '*CIT (E) Vs Al Jamia Mohammediyah Education Society*' [2025, 481 ITR 215 (SC)], the Hon'ble Supreme Court approved and affirmed the judgment of the Hon'ble Bombay High Court [2024, 298 Taxman 650 (Bom)], in which their hon'ble lordships condoned the delay considering the history of compliance, bonafide professional error and in the absence of any malafides on the part of assessee.



14. The Ld. DR Mr Zain could hardly lay any contrary decision or any material before us to showcase that appellant was benefited by lodging a time barred applications for regular registration. Therefore, we find merits in appellant's argument that, since the Ld. CIT(A) in law had power to condone the delay occurred in its case and who indeed choose to proceed on merits in view of the aforestated judicial precedents clearly suggests that the said delay is condoned. Faced with the situation, in view of the aforestated judicial precedents and Ld. CIT(E)'s action in adjudicating the application filed for registration on its merits who in law had power to condone the same, we deem it fit to vacate the first premise of delay in filing applications as founded in rejecting the impugned applications by the Ld. CIT(E). *Ergo* ordered accordingly.



15. Now coming to merits of the case; we observed that, in rejecting the application on merits the Ld. CIT(E) come to a conclusion that, the appellant's activities of providing 'taekwondo training' does not fall within the scope of charitable activities as defined in section 2(15) of the Act. In the course of hearing the Ld. DR Mr Zain while relying on the impugned order bottled-up the denial by adding that such training centre is in the nature of commercial establishment therefore cannot even sheltered in residuary limb 'the advancement of any other object of public utility' of section 2(15) of the Act. *Au contraire* appellant claimed that; it an institute established predominantly for imparting 'sports education/training' as per section 2(15) and hence eligible for registration u/s 12AB, & 80G of the Act thus for exemption from taxation u/s 11 of the Act.



16. Before analysing the connotation and applicability of the expression '*education*', it would be worthwhile to note the actual activity carried on by the assessee. It can be seen from registered trust deed of the appellant that, the principal object of the assessee revolves around promoting & instilling values of sportsmanship among the youngster, developing young athletes in ***taekwondo***, sports training to the children/students from rural and underprivileged class/areas. We also note that, the appellant's object is very much aligned with the national education policy declared by the central government of India in 2020. Of course, such provision of training was made available either for a nominal fee from certain class of student or free for underprivileged students, government running schools & colleges in Karnataka & Maharashtra etc.



17. It is palpable from the annual activity reports submitted for three years (2023, 2024 & 2025) that, the appellant trust in those years of its operation had reached out to thousands of students across the state of Karnataka & Maharashtra to inspire & instil self-defense among underprivileged girls studying in government aided schools. In the course of its operation, the appellant had trained more than 936 underprivileged girls through undertaking 72+ 'kick & Shout' self-defense workshops. Further the appellant trust was regular in arranging for or participating in 'Taekwondo competitions' across the state of Maharashtra and Karnataka. This clearly shows that the assessee was organizing its operation with much less exploiting it commercially. The holistic vouching suggest that, charging nominal fees from students in substance lacked commercial principle.



18. Now coming to the activity of sports training as whether it constitutes education, we note that the term 'education' has not been defined in the Act, however it has been interpreted in context of section 2(15) by the Hon'ble Apex Court in '*Loka Shikshana Trust Vs CIT*' [1975, 101 ITR 234 (SC)]. The Hon'ble lordship therein held that; **'what education connotes in that clause 2(15) is the process of training and developing the knowledge, skill, mind and character of students by normal schooling.'** It clearly emerges from former factual narration of hon'ble lordship that; so long as assessee is engaged into developing any **knowledge or skill or character** of school/college going students, etc., such assessee's activities of imparting scholastic training shall fall within the scope of **'education'** for the purpose of section 2(15) of the Act.



19. The term schooling also neither defined in the Act nor in the General Clauses Act, therefore resorting to ‘*common parlance test*’ laid in ‘*CoC Vs M/s Welkin Foods*’ [2026 INSC 19 (SC)], as it understood that ‘**a process of receiving formal education, training or instruction typically within an institution like school**’. This definition necessarily expunges solitariness of school premises as the only institution for imparting education, training, or instructions etc. Therefore, the conjoint reading of interpretation laid in ‘*Loka Shikshana Trust*’ (*supra*) & former discussion plainly suggests that, irrespective of nature & character of establishment, the process of imparting scholastic training & developing knowledge, skill, mind, and character of students is sole determinant factor in earmarking the activity as ‘*education*’ for the purpose of section (15) of the Act.



20. The instant case, the appellant is admittedly engaged into imparting and developing sports knowledge to school going girls & underprivileged students either inhouse by running own institute/class [where it collects nominal fees for its maintenance] or by arranging workshops in/for government schools etc., in the state of Karnataka & Maharashtra. In view of interpretation laid in '*Loka Shikshana Trust*' (*supra*) & '*ACIT Vs AUDA*' [2022, 115 CCH 253] and the definition of schooling adopted on the strength of judicial support laid in '*CoC Vs M/s Welkin Foods*' (*supra*), it is ostensibly clear that an activity of providing scholastic sports training and conducting incidental workshops was with a focal view to develop sports knowledge, skill, mind & character of school students, which does fall in the realm of 'education' as used in section 2(15) of the Act.



21. A similar case where assessee trust engaged in providing vocational training & skill development of youth in the area of science, arts, business & commerce came for consideration before the Hon'ble jurisdictional High Court in '*Deshpande Education Trust Vs ACIT*' [2025, 181 taxmann.com 796], wherein their hon'ble lordship following the decision laid in '*CIT(E) Vs Unique Education Society*' [2024, 168 Taxmann.com 448 (P&H)] have categorically vide para 14 held that;

'14. In the case on hand as well, the appellant's activity includes vocational training for the development of soft skills of underprivileged, poor and women to develop their skills in the area of science, arts, business, and commerce by providing various programmes in order to make them employable. The activity that the appellant is indulged in includes systematic instructions or training which involves the process of teaching and learning various subjects. Moreover, in the subsequent AYs, the appellant has affiliated with Karnataka University, Dharwad and is offering Master of Social Entrepreneurship Course in exchange of fees. Hence, it cannot be stated that the activities offered by the appellant are not 'education' under Section 2(15) of the Act.

(Emphasis supplied)



22. In the instant case, the appellant trust also engaged in activity of providing scholiastic vocational training and skill development to rural youth predominantly schoolgirls and underprivileged school children in the areas of sports and self-defense including martial arts. Since carrying out such activity/operations included a systematic instructions or training session which involved process of teaching and learning, in view of the former judicial precedents it could be held that such activities offered were in the nature of 'education' for the purpose of section 2(15) of the Act. And in result, the appellant was entitled for grant of regular registration u/s 12AB & 80G(5) of the Act. In view of this, we deem it fit to vacate the impugned observation *vis-à-vis* adjudication laid on this score and direct the Ld. CIT(A) to grant registration.



23. Now coming appellant's alternate claim that its activity of imparting 'Taekwondo Training' being a notified sports/games falls within the ambit of 'advancement of any other object of general public utility,' thus within section 2(15) of the Act. Whereas the Revenue treats it to be of commercial in nature therefore denied the registration.

24. At the outset we note that, in view of the explanation 4 to section 80G of the Act, an association or institution having its object of control, supervision, regulation or encouragement in India of **such games or sports** as the Central Government may, by notification in the Official Gazette, specify such institution to be an institution or association deemed to be established in India for a charitable purpose. Accordingly, the CBDT for the purpose of explanation 4 to section 80G of the Act notified various



games/sports and one of such notification with which the present adjudication is concerned was issued by the board vide its Notification No. 03/2010 dt. 12/01/2010. By clause (xlvi) the board recognised/included the '**Taekwondo**' sports/games for the purpose of section 80G *vis-à-vis* for section 2(15) of the Act.

25. It remain an undisputed fact that, the appellant trust in the course of imparting '*Taekwondo Training and self-defence training*' also charging nominal fees from one class of the student over underprivileged student to whom such training was provided free of cost. But this *ispo-facto* do not disqualify the appellant for grant registration u/s 12AB & 80G of the Act. This is because at the time of grant of registration what is essentially to be seen is that the activities of the assessee trust are genuine and the



assessee is in compliance of such requirements of any other law for the time being in force as are material for the purpose of achieving its objects. Conversely in our considered view the registration can be denied only if the material placed by the appellant or brought on record by the Revenue clearly & cumulatively suggests that; the activities/operations of the appellant badly lacks genuineness **and** the appellant's noncompliance of applicable laws are so material that achieving the purpose/object for which it came into existence becomes impossible. In the impugned proceedings neither of these findings were present, therefore the order of rejection deserves to be vacated on this score as arbitrary and *contra-legem*.

26. As to whether the collection of fees for imparting sports training would disqualify assessee for registration and consequently eligibility for claiming



exemption u/s 11 of the Act came for consideration before the Ld. Co-ordinate bench in '*Dahisar Sports Foundation Vs ITO(E)*' [2017, 87 Taxmann.com 313 (Mum)], wherein the assessee-trust's main object was promotion of sports and games as advancement of any other object of general public utility. There it held that, collecting of certain charges from coaching camps meant for promotion of sports and games only could not alter its basic character of promotion of sports/games being charitable purpose. Therefore, the assessee held to be eligible for registration u/s 12A/12AB & consequential registration u/s 80G of the Act and thus for claiming exemption u/s 11 of the Act. A similar view that collecting fee would not itself disqualify the assessee from registration & disentitle for exemption was found taken in '*ITO Vs Chembur Gymkhana*' [2017, 80 Taxmann.com 354 (Mum)].



27. The respondent Revenue could lay much less material to showcase the disqualification of the appellant assessee for grant of regular registration u/s 12AB of the Act and equal registration u/s 80G of the Act. Faced with the situation, without multiplying the authority on the subject matter, we set-aside the impugned orders on both the score and remand these matters to the file of Ld. CIT(E) with a direction to grant both the registrations in accordance with law after ensuring the procedural compliance if any remained uncomplied previously.

28. In result, the twin appeals stands Allowed.

In terms of rule 34 of ITAT Rules, 1963 the order pronounced in the open court on date mentioned herein before.

-S/d-

PAVAN KUMAR GADALE
JUDICIAL MEMBER

Panaji/Dt: 06th March, 2026.

Copy of the Order forwarded to :

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|-------------------|--------------------------------|---------------------|
| 1. The Appellant. | 2. The Respondent. | 3. The AO Concerned |
| 4. PCIT Concerned | 5. DR, ITAT, Panaji Bench, Goa | 6. Guard File |

-S/d-

G. D. PADMAHSHALI
ACCOUNTANT MEMBER

By Order,
Sr. Private Secretary / AR ITAT, Panaji.