

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

**BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.2345/Bang/2025
Assessment Year: 2026-27

Sri Durgaparameshwari Trust Koppal Thota Malpe Udupi 576 108 Karnataka PAN NO : ABHTS8414N	Vs.	ITO Ward 1 Mangaluru
APPELLANT		RESPONDENT

Appellant by	:	Sri Kashinath, A.R.
Respondent by	:	Sri Muthu Shankar, D.R.

Date of Hearing	:	16.02.2026
Date of Pronouncement	:	21.04.2026

O R D E R

PER KESHAV DUBEY, JUDICIAL MEMBER:

This appeal at the instance of the assessee is directed against the order of Id. CIT(Exemptions), Bengaluru vide DIN & Notice no: ITBA/EXM/F/EXM45/2025-26/1079930873(1) dated 25/08/2025 rejecting the application for registration u/s. 12AB of the Income Tax Act,1961 (in short” the Act”)

- 2.** The assessee has raised the following grounds of appeal: -
1. The order passed by the learned CIT (Exemptions) under section 12AB is arbitrary, unjust and bad in law, as it has been passed without providing a fair and reasonable opportunity of being heard to the appellant.
 2. The learned CIT (Exemptions) has erred in rejecting the application solely on technical grounds of non-

compliance, ignoring the genuine circumstances and the email request for adjournment submitted by the appellant.

3. The learned CIT (Exemptions) failed to appreciate that the appellant Trust is engaged in bonafide charitable and religious activities, and its application deserved consideration on merits rather than summary rejection.
4. The learned CIT (Exemptions) has not considered that principles of natural justice are foundational to every quasi-judicial proceeding, and an order passed without giving the applicant an opportunity to present its case is void and unsustainable in law.
5. The learned CIT (Exemptions) erred in not providing any reasoner order or reference to the appellant's email communication seeking adjournment, thereby rendering the rejection order non-speaking and mechanical in nature.
6. The appellant submits that the intention of the legislature under section 12AB is to encourage genuine charitable institutions and not to penalize them for procedural or administrative lapses.
7. The appellant further submits that it continues to carry out charitable and religious activities in good faith and fulfils all conditions required under the Act for grant of registration.
8. The appellant craves leave to add, alter, or amend any oOf the above grounds at the time of hearing.

3. The Brief facts of the case are that the assessee is a religious trust established with the object of carrying out religious activities without any profit motive. The assessee trust was granted provisional registration in Form No.10AC vide unique registration no

(URN):- ABHTS8414NE20231 dated 14/02/2024 effective from AY 2024-25 to AY 2026-27. The assessee trust after commencement of its activities submitted an application for permanent registration u/s. 12AB of the Act in Form No.10AB on 31/03/2025. On receipt of application, the ld. CIT (E) granted the opportunity of being heard vide notice dated 24/07/2025 as well as SCN dated 05/08/2025, however the assessee did not respond to any of the notices. The ld. CIT (E) was of the view that the assessee is required to submit necessary documents to prove the genuineness of the activities of the trust and also the compliance of such requirements of any other law as are material for the purpose of achieving its objects. As the assessee had not responded to any of notices issued and failed to appear before the ld. CIT (E) and submit all the necessary documents/ details as required for registration u/s. 12AB of the Act, the ld.CIT(E) rejected the application filed in Form No.10AB dated 31/03/2025 and cancelled the registration u/s. 12AB of the Act.

4. Aggrieved by the order of the learned Commissioner of Income Tax (Exemptions), Bengaluru dated 25/08/2025, the assessee has filed the present appeal before this Tribunal. The assessee has also filed a paper book comprising 03 pages containing therein the copy of the Form No.10AC as well as the copy of the email dated 16/08/2025 seeking for the adjournment sent to ld. CIT(E).

5. Before us, the learned A.R. of the assessee vehemently submitted that the assessee could not represent its case before the ld. CIT(E) due to change in the management as well as administrative personnel. Further, the ld. A.R. of the assessee submitted that in fact the secretary and trustee of the assessee trust Sri. A. Umesh Nayak had sent an email on 16/08/2025 by stating that the notice dated 05/08/2025 was in fact served only on 16/08/2025 at 1pm and requested for a revised date of hearing with sufficient time as the

assessee trust is situated 400 kms away from Bengaluru and accordingly prayed that one more opportunity may be granted before the ld. CIT (E) in the interest of justice & equity.

6. The ld. D.R. on the other hand vehemently submitted that as the assessee did not respond to any of the notices and accordingly the ld. CIT (E) has rightly rejected the application for registration u/s. 12AB of the Act. However, the ld. D.R. also fairly submitted that the case of the assessee may be remitted back to the file of ld. CIT(E) for fresh consideration.

7. We have heard the rival submissions and perused the material available on record. On going through the order of ld. CIT(E), we observed that the ld. CIT(E) had rejected the application filed in Form No.10AB dated 31/03/2025 for final registration u/s.12AB of the Act solely on the ground that the assessee did not respond to any of the notices issued by ld. CIT(E). We do agree with the contention of ld. CIT(E) that the assessee is required to submit necessary documents to prove the genuineness of the activities of the trust or institutions and also the compliance of such requirements of any other law as are material for the purpose achieving its objects. On going through the order of ld. CIT(E), we noticed that the order of cancellation of registration was passed on 25/08/2025. Further, ongoing through the paper book submitted by the assessee, we also noticed that the secretary and trustee Sri. A. Umesh Nayak had sent an email on 16/08/2025 by stating that the notice dated 05/08/2025 was in fact served only on 16/08/2025 at 1PM through post office and requested for a revised date of hearing with sufficient time as the assessee trust is situated 400 kms away from Bengaluru. Thus, in our considered view, the assessee trust had requested for granting fresh date of hearing well before the passing of the Order on 25/08/2025 & the ld. CIT(E) had not considered the same either due to oversight or

otherwise. This being so, in the interest of justice, equity and fair play and as requested by the Id. A.R. of the assessee, we deemed it fit and proper to remit the entire issue to the file of Id.CIT(E) to decide afresh in accordance with law. Needless to say, reasonable opportunity of being heard must be granted to the assessee. The assessee is also directed to produce all the necessary documents/ records/ financials/ reports etc. within 90 days from the date of this Order to satisfy the conditions for granting registration u/s. 12AB of the Act. It is ordered accordingly.

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

Order pronounced in the open court on 21st Apr, 2026

Sd/-
(Prashant Maharishi)
Vice President

Sd/-
(Keshav Dubey)
Judicial Member

Bangalore,
Dated 21st Apr, 2026.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.