सत्यमेव जयते

IN THE INCOME TAX APPELLATE TRIBUNAL
PANAJI BENCH, 'DB' PANAJI

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER
AND SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.08/PAN/2026
Assessment Year: 2023-24

Balaji Educational and Cultural Trust, CTS No.1598, Near Dutch Industrial Estate, Channammanagar, Angol, Belagavi – 590 006 Karnataka PAN : AACTB1137D	Vs.	Income Tax Officer, Exemption Ward-1, Panaji
Appellant		Respondent

Assessee by	:	Shri Ashok Mudnur, CA
Revenue by	:	Shri Naveen Kumar B, CIT-DR
Date of hearing	:	18.08.2026
Date of pronouncement	:	21.08.2026

आदेश / ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

The captioned appeal at the instance of assessee pertaining to A.Y. 2023-24 is directed against the order dated 08.12.2025 framed by Addl./JCIT(A)-1, Pune arising out of Intimation Order dated 19.11.2024 passed u/s.143(1) of the Income Tax Act, 1961 (in short 'the Act').

2. The grievance of the assessee is that exemption u/s.11 of the Act has been denied for delay in submitting Form No.10B.

3. We have heard the rival contentions and perused the record placed before us. We notice that assessee is a Charitable trust and return of income for A.Y. 2023-24 was filed on 28.11.2023, i.e. before the extended date of filing the return of income declaring income of Rs.18,000/- after claiming exemption u/s.11 of the Act. Assessee was required to file Audit Report on Form No.10B one month prior to the date of filing the return of income. Admittedly, there is delay in filing Audit Report on Form No.10B along with return of income on 28.11.2023. For the said delay, CPC denied the benefit of exemption u/s.11 of the Act. Subsequently, ld. CIT(A) also affirmed the action of CPC.

4. The issue in the instant case in no long *res integra* as the various Coordinate Benches have been consistently holding that filing of Audit Report on Form No.10B is directory in nature and even if the same is filed at the appellate stage, the benefit of exemption u/s.11 cannot be denied to the assessee.

5. In this connection, we quote the decision of Coordinate Bench, Ahmedabad in the case of *Vardhman Stanakvasi Jain Shravak Trust vs. Income-tax Officer [2025] 172 taxmann.com 165 (Ahmedabad - Trib.) [14-02-2025]*, the ITAT held that delay in submission of Form No. 10B is a procedural defect, hence, where assessee had filed Form No. 10B before Commissioner (Appeals) before conclusion of appellate proceedings, exemption under sections 11 and 12 could not be denied to assessee only on account of late filing of Form No. 10B.

6. In yet another case Coordinate Bench, Surat dealing with an identical issue in the case of *Premprakash Ashram Trust vs. ITO in ITA No. 284/Srt/2024 for A.Y. 2018-19 vide order dated 17.05.2024* the Tribunal observed as under :

> *"4. We have considered the submissions of both the parties and perused the record carefully. There is no dispute that the assessee-trust is having registration under section 12A/12AB of the Act. The assesse filed return of income on 29/08/2018. In the computation of income, the assessee claimed application of income under section 11/12 of the Act. The return of income was filed within the time allowed under section 139(1) of the Act. The return of income was processed by CPC Bangalore vide order dated 26.09.2019. The CPC while processing return of income disallowed exemption of Rs. 15,48,619/-. We find that the assessee uploaded audit report under Form 10B dated 28/08/2018, on ITBA portal on 12/12/2019. The assessee*

> *claimed that the audit report was obtained before filing return of income. There is no material to disbelieve the contention of the ld AR for the assessee that audit report was obtained well in time. We also find that audit report was filed/ uploaded on ITBA portal before adjudication of appeal by ld CIT(A). Therefore, considering the decisions of Hon'ble Jurisdictional High Court in CIT Vs. Gujarat Oil & Allied Industries (1993) 201 ITR 325 (Guj), Gujarat Paghuthan Energy Corporation (P) Ltd. Vs DCIT 225 Taxman 70 (Guj) and Zenith Processing Mills vs CIT 219 ITR 721 (Guj) and the decision of Hon'ble Bombay High Court in CIT Vs Sakal Relief Fund (2017) 81 taxmann.com 396 (Bombay) that uploading of audit report is a procedural provision and should not be construed as mandatory, hence, we direct the Assessing Officer to verify the fact and allow appropriate relief to the assessee by following the aforesaid decisions. Needless to direct that before passing the order, the Assessing Officer shall grant opportunity of hearing to the assessee. In the result, the grounds of appeal raised by the assessee is allowed. 5. In the result, this appeal of assessee is allowed."*

7. Respectfully following the decisions cited *(supra),* we hold that the assessee cannot be denied the benefit of exemption for which it is entitled merely on the lapse of procedural requirement i.e. delay in filing the audit report in the prescribed form. In the present case, assessee filed the Audit Report on Form No.10B along with return of income on 28.11.2023 which is prior to the passing of Intimation u/s.143(1) of the Act and therefore the assessee cannot be denied exemption u/s.11 of the Act. Finding of ld.CIT(A) is reversed and grounds of appeal raised by the assessee are allowed.

8. In the result, the appeal of the assessee is allowed.

Order pronounced on this 21st day of August, 2026.

d/-	Sd/-
(VINAY BHAMORE)	**(MANISH BORAD)**
JUDICIAL MEMBER	**ACCOUNTANT MEMBER**

Panaji; दिनांक / Dated : 21st August, 2026.

Satish

Satish Kumar Madishetty
Digitally signed by Satish Kumar Madishetty
Date: 2026.08.21 13:16:21 +05'30'

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, Panaji 'DB' Bench / DR, ITAT, Panaji 'DB' Bench
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar/Sr.PS,
आयकर अपीलीय अधिकरण, Panaji/ ITAT, Panaji