IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 21.08.2025
Coram
The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.Nos.28343 & 27672 of 2025
and
W.M.P.Nos.31729,31731, 31004 & 31007 of 2025

M/s. Karur Progressive Educational Trust,
rep. by its Managing Trustee, Mr.N.Maniraj

...Petitioner in both W.Ps.

Vs.

1. The Chief Commissioner of Income Tax,
Ayakar Bhawan, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600 034.

R-1 in both W.Ps.

2. The Commissioner of Income Tax Office
(Exemption) Chennai.
O/o. Income Tax Officer, Exemption Ward,
Ayakar Bhawan, Mahatma Gandhi Raod,
Nungambakkam, Chennai – 600 034.

R-2 in W.P.No.28343 of 2025
and
R-3 in W.P.No.27672 of 2025

3. The Income Tax Officer, Exemption Ward
O/o. Income Tax Officer, Exemption Ward,
Main Building, Williams Road,
Cantonment, Tiruchirapalli.

R-2 in W.P.No.27672 of 2025

4. The Branch Manager,
   HDFC Bank, Ground Floor, 611 JBC Enclave,
   West Bungalow Street, Church Corner,
   Karur – 639 001. R-4 in W.P.No.27672 of 2025

Prayer in W.P.No.28343 of 2025

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records of the second respondent in order rejecting the condone delay application for the Assessment Year 2018-19 vide ITBA/COM/F/17/2024-25/1071874061(1) dated 04.01.2025 and to quash the same and to accept Form 10-B by condoning the delay in filing and a further direction of refund if any sum is recovered pursuant to the order.

Prayer in W.P.No.27672 of 2025

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for records of the second respondent in Notice No.ITBA/COM/F/17/2025-26/1078540817(1) dated 16.07.2025.

For Petitioner in both W.Ps.: Mr.S,Silambanan
Senior Counsel for
Mr.T.Chezhiyan

For Respondents 1 and 2 in W.P.No.28343 of 2025 and R-1 to 3 in W.P.No.27672/2025 : Mr.V.J.Arul Raj
Senior Standing Counsel

For Respondent-4 in W.P.No. 27672 of 2025 : Mr.C.Mohan and
: Ms.A.Rexy Josephine
for M/s.King and Partridge

COMMON ORDER

Heard Mr.S,Silambanan, learned Senior Counsel for the petitioner and Mr.V.J.Arul Raj, learned Senior Standing Counsel, who takes notice on behalf of the respondent-Department and Mr.C.Mohan andMs.A.Rexy Josephine, learned counsel for the Bank. With consent, the main Writ Petitions are taken up for final disposal at the stage of admission itself.

2. The challenge in Writ Petition No.28343 of 2025 is to the order passed by the second respondent rejecting the condone delay application for the Assessment Year 2018-19 dated 04.01.2025 and to quash the same and to accept Form 10-B by condoning the delay in filing the same and a further direction of refund if any sum is recovered pursuant to the order.

2. 1 The challenge in Writ Petition No.27672 of 2025 is to the order passed by the second respondent dated 16.07.2025 and to quash the same.

3. Mr.S,Silambanan, learned Senior Counsel for the petitioner would submit that the petitioner is an Educational Trust, registered under the provisions of Section 12A/12AA of the Income Tax Act, 1961; being a Trust, the petitioner-Trust is exempted from payment of tax; that the petitioner has filed Audit Report in Form 10B for the assessment years 2018-19 and 2019-20 claiming exemption of income tax along with a condone delay applications; that for the assessment year 2019-20 the returns filed by the petitioner was duly accepted, however, for the assessment year 2018-19, the petitioner has received an order rejecting the condone delay application and further, the petitioner, to their shock and surprise, received a notice dated 16.07.2025, whereby, the petitioner was intimated about the attachment of their bank account; that aggrieved by rejection of the condone delay application filed by the petitioner for the assessment year 2018-19, dated 04.01.2025 the petitioner has filed W.P.No.28343 of 2025 and aggrieved by the attachment notice dated 16.07.2025, W.P.No.27672 of 2025 is filed.

3.1 The learned Senior Counsel for the petitioner contended that the petitioner-Trust has clearly explained the reason for the delay of 151 days in filing the Form10B, in the condone delay application filed for the assessment year 2018-19 and further, the Authorized Representative also explained that the delay was on account of non-availability of trustee in charge of accounts, as, he was suffering from Hepatitis B, and medical certificate in that regard was also produced, however, the respondent-Commissioner of Income Tax (Exemption) vide the impugned order rejected the condone delay application by stating that the veracity of the claim and its authenticity is highly questionable. Therefore, the learned counsel prays for setting aside the impugned orders.

4. Mr.V.J.Arul Raj, learned Senior Standing Counsel for the respondents, after taking instructions from the respondent-Department though initially raised strong objection to the contention putforth by the petitioner, however, fairly submitted that, in the event, this Court is inclined to condone the delay, subject to certain terms, the delay may be condoned.

5. I have given due considerations to the submissions made on either side and perused the materials placed on record.

6. The petitioner is an Educational Trust, as such, they are exempted from payment of income tax. As per the provisions of the Income Tax Act, the petitioner ought to have filed the Audit Report along with Form 10B claiming such exemption for the assessment year 2018-19 on or before 31.10.2018, however, since the Trustee, who was looking after the income tax matters, had fallen ill due to Hepatitis B, the petitioner was not able to file Form 10 B in time. Hence, the petitioner filed Form 10B along with application to condone the delay of 151 days. While the application for condonation of delay pertaining to the assessment year 2019-20 was allowed, the application for the condonation of delay of 151 days pertaining to the assessment year 2018-19, was rejected for the same set of reasons as set out in the condone delay application for the assessment year 2019-20.

6.1 Though the petitioner's Authorized Representative has explained all these aspects before the respondent-Authority and in fact, medical certificate was also produced, the respondent-Commissioner of Income Tax (Exemption) failed to consider the issue in a proper perspective. However, this Court considering the fact that the reasons for the delay in filing Audit Report along with Form 10B appears to be genuine, is inclined to condone the delay, of course, subject to certain terms, as demanded by the respondent-Department.

6.2 Accordingly, this Court pass the following order/directions:-

i) The Delay is condoned. The impugned order passed by the second respondent dated 04.01.2025 is set aside, however, subject to the condition that the petitioner pays a sum of Rs.5,000/- as cost to the **Principal Government Naturopathy Medical College and Hospital,**

bearing Account No.7883022723, IFSC Code: IDIB000M157 respondent-Department within a period of two weeks from the date of receipt of a copy of this order. .

ii) Insofar as the prayer sought for in Writ Petition No.27672 of 2025 is concerned, in the light of the order passed in W.P.No.28343 of 2025, wherein, the delay in filing the Application in Form 10B seeking exemption from payment of tax as per the provisions of the Income Tax Act 10B is condoned, nothing survives for adjudication in W.P.No.27672 of 2025. However, since it is submitted by the learned Senior Counsel for the petitioner that the entire tax has been recovered from the petitioner's bank account, it is observed that the right course available to the petitioner is to file an Application seeking for refund. Any such application is being moved by the petitioner, it is open to the respondent-Department to consider the same and pass appropriate orders.

7. In the result, W.P.No.28343 of 2025 is disposed of and W.P.No.27672 of 2025 is closed. Consequently, connected miscellaneous petitions are closed. No costs.

21.08.2025

sd
Index : yes/no
Neutral Citation : yes/no

To

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Krishnan Ramasamy,J.,

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