

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़  
IN THE INCOME TAX APPELLATE TRIBUNAL  
CHANDIGARH BENCH, 'B', CHANDIGARH

**BEFORE SHRI A.D. JAIN, VICE PRESIDENT &  
DR KRINWANT SAHAY, ACCOUNTANT MEMBER**

आयकर अपील सं./ **ITA No. 775/CHD/2023**

निर्धारण वर्ष / Assessment Year: 2024-25

Shree Khatu Shyam Pariwar Charitable Trust, Lal Masjid Road, Opp. PNB Bank, Sherawalan Gate, Patiala	Vs. बनाम	The CIT Exemptions, Chandigarh
स्थायी लेखा सं./PAN No: AAWTS2039K		
अपीलार्थी/ APPELLANT		प्रत्यर्थी/ REPSONDENT

( VIRTUAL HEARING )

निर्धारिती की ओर से/Assessee by : Sh. Ajay Jain, CA

राजस्व की ओर से/ Revenue by : Smt. Kusum Bansal, CIT DR

सुनवाई की तारीख/Date of Hearing : 27.06.2024

उदघोषणा की तारीख/Date of Pronouncement : 26.07.2024

**आदेश/Order**

**Per Dr. Krinwant Sahay, A.M.:**

The appeal in this case has been filed by the Assessee against the order dated 18.10.2023 of Id. Commissioner of Income Tax, Exemptions, Chandigarh [herein referred to as 'CIT(E)'].

2. Ground of appeal are as under:-

1. *That the CIT (Exemptions) has wrongly dismissed the application for approval us 80G(5) without any discussion on merit.*
  2. *That the CIT (Exemptions) has wrongly denied the exemption u/s 80G(5) on the ground of delay in filing of application for grant of exemption u/s 80G(5).*
3. Brief facts and written submissions submitted by the Assessee are as under:-

- “1. *The assessee is old trust continuing to exist since 07-08-2018. The assessee trust filed an application dated 01.05.2023 in Form 10AB under Rule 11AA of the Income Tax Rules, 1962, seeking approval under clause (iii) of first proviso to sub-section (5) of section 80G of the Act. The CIT(Exemption) noted that the assessee had been granted provisional approval in Form No. 10AC on 27.03.2023 u/s 80G(5) (iv) of the Act, for the period commencing 27.03.2023 to assessment year 2025-26. Thus, the assessee was required to file application in Form No. 10AB u/s.80G(5)(iii) of the Act within the time period of six months, prior to expiry of period of the provisional approval or within six months of commencement of its activities, whichever is earlier.*
2. *The Id CIT (Exemption) noted that in the present case, the date of Commencement of its activities is 6-9-2018 and the date of filing of application in Form No. 10AB is 01-05-2023, which is after expiry of six months of commencement of its activities.*
3. *Now we submit that the CBDT Circular No. 7/2024 dated 25.04.2024 has extended the time limit for*

*filing form 10AB up to 30-06-2024 for approval under section 80G .*

4. *As per para 4 & 4.1 the time limit has extended by Circular up to 30-06-0024 & also place reliance on NANA AND RANDER SUNNI VOHRA MEDICAL AND CHARITABLE TRUST VERSUS COMMISSIONER OF INCOME TAX (EXEMPTION), AHMEDABAD 2024 (5) TMI 388 - ITAT AHMEDABAD which held as under :-*

*Rejection of the application for final approval u/s. 80G on technical grounds - applicant was required to file application in Form No. 10AB on or before 30.09.2022, which it failed to submit - CIT(E) was of the view that the date of commencement of activities in the case of the assessee should also be six months prior to the date of filing of Form 10AB - HELD THAT:- As decided in the case of CIT-1982 Charitable Trust [2024 (3) TMI 1201 - ITAT CHENNAI] while passing the order the Tribunal held that the Timeline prescribed under clause (iii) of first proviso to section 80G(5) should be treated as directory and not mandatory, hence, once timeline prescribed for filing Form No.10A for recognition under section 12A had been extended up to 30.09.2023, same may be treated as, extended for forms namely Form No. 10AB for renewal of approval /recognition /registration under clause (iii) of first proviso to section 80G also.*

*i*

*In the case of Anudip Foundation for Social Welfare [2024 (3) TMI 1202 -ITAT KOLKATA] Tribunal has held that where assessee had been granted provisional approval under clause (iv) to first to section 80G(5), application nor final approval under clause (iii) to first proviso to section 80G(5) could not*

*be rejected on ground that institution had already commenced its activities even prior to grant of provisional registration.*

*Since in the instant facts, as it evident from the various dates mentioned above, the assessee/Applicant Trust had filed application for grant of final approval u/s 80G(5) of the Act within a period of six months from date of grant of provisional registration on 06.04.2023 (whereas date of grant of provisional approval u/s 80G(5) of the Act was 30.03.2023 and as noted by us in the preceding paragraph, the assessee could have filed application for grant of approval on or before 30.09.2023) i.e. within a period of six months from date of grant of provisional registration which stands further extended to 30.06.2024 vide Circular No. 7/2024 dated 25.04.2024.*

*Accordingly, we are of the considered view that Ld. CIT(E) erred in summarily dismissing the application of grant for final approval u/s 80G(5)(iii) of the Act for reasons cited. Accordingly, matter is restored to the file of Ld. CIT(E) for de-novo consideration.”*

4. During the proceedings before us, the Id. Counsel for the Assessee argued that the rejection of the application for final approval u/s 80G has been done by the Id. CIT(E) noting that the date of commencement of the activities of the trust was 6.9.2018 and the filing of the application in Form No. 10AB was 01.05.2023, which was after expiry of the six months of the commencement of its activities. The Id. Counsel further submitted that now the CBDT has issued a Circular No.7/2024 dated

25.4.2024 and it has extended time limit for filing Form No. 10AB up to 30.06.2024 for approval u/s 80G, therefore, the matter may be remanded back to verify the issue and pass the order accordingly.

5. The Id. DR did not object on this issue.

6. Thus, the matter is remanded back to the file of the CIT(E) Chandigarh to examine the issue in the light of the latest Circular No. 7/2024 dated 25.4.2024 and pass an order accordingly.

7. In the result, the appeal of the Assessee is allowed for statistical purposes.

Order pronounced on 26. 07.2024.

**Sd/-**

**( A.D. JAIN )  
Vice President**

**Sd/-**

**(DR KRINWANT SAHAY)  
Accountant Member**

“rkk.”

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT,  
CHANDIGARH
5. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,  
सहायक पंजीकार/ Assistant Registrar