

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'G': NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT
AND
SHRI AVDHESH KUMAR MISHRA, ACCOUNTANT MEMBER**

ITA No. 2090 & 2091/DEL/2025, A.Y. 2025-26

Sat Shree Lalji Mission Charitable Trust, 2G-37, NIT, Faridabad, (Har) PAN: AATTS9141F (Appellant)	Vs.	Commissioner of Income Tax (Exemption), C. R. Building, Sector-17E, Chandigarh (Respondent)
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Appellant by	Sh. Jitender Wadhwa, CA
Respondent by	Shri Om Prakash, Sr. DR

Date of Hearing	06/06/2025
Date of Pronouncement	11/06/2025

ORDER

PER AVDHESH KUMAR MISHRA, AM

These appeals are inter-connected as these contain common facts. Therefore, these appeals were heard together and are being disposed off by this common order.

2. These appeals for Assessment Year (AY) 2025-26 filed by the assessee are directed against orders dated 14.12.2024 of the Commissioner of Income Tax (Exemption), Chandigarh [CIT(E)] under sections 12AB and 80G of the Income Tax Act, 1961 (Act).

3. Vide these appeals, the assessee has challenged the rejection of registration under section 12AB of the Act and the denial of approval under section 80G of the Act.

4. The relevant facts giving rise to these appeals are that the assessee filed an application for registration under section 12A(1)(ac)(iii) of the Act on 12.06.2024. Thereafter, the Ld. CIT(E) issued a show-cause notice to the assessee to file various details regarding its activities carried out in pursuance of the object of the assessee. After repeated opportunities of being heard provided by the Ld. CIT(E), the assessee filed certain details, such as the Income & Expenditure Account for the year ending on 31.03.2022, which also contained data for FY 2020-21. On perusal of the Income & Expenditure Account for years ending on 31.03.2021 and 31.03.2022, the Ld. CIT(E) inferred that the assessee was carrying out its activities in FY 2020-21 also. Therefore, the Ld. CIT(E) held that the provisional registration sought by the assessee was not genuine because the assessee was not required to seek provisional registration after amendment in section 12A of the Act, with effect from 01.10.2023 as this amendment provides that the Trust or Institution which has not commenced its activities can only seek the provisional registration and regular registration separately. Accordingly, the Ld. CIT(E) held that the assessee was not eligible to seek provisional registration first and thereafter regular registration. Hence, he held the application filed under section 12A(1)(ac)(iii) of the Act for regularization of

the registration as invalid and rejected the registration sought under section 12AB of the Act vide said application filed under section 12A(1)(ac)(iii) of the Act. Consequentially, the approval under section 80G of the Act was also not granted to the assessee. Aggrieved, the assessee filed these appeals.

5. Before us, the Ld. AR contended that the assessee had carried out minimal activities in the FY 2020-21, as evident from the Income & Expenditure Account for the year ending on 31.03.2021 and 31.03.2022. The quantum of such expenditure was miniscule. Receipts were mainly from donations & interest from FDRs, whereas expenditure were for bare survival. Further, it was contended that amendments in section 12A of the Act since 2018 onwards were so frequent that these resulted difficulties and hardships to small Trusts & Institutions mandating provisional registration, regular registration, etc. Existence of such hardships got also noticed by the CBDT as evident from Circulars Nos. 06/2023 and 07/2024. The Circular No. 07/2024 reads as under:

On consideration of difficulties reported by the taxpayers and other stakeholders in the electronic filing of Form No. 10A/10AB, the Central Board of Direct Taxes (the Board) in exercise of its powers under section 119 of the Income-tax Act, 1961 (the Act) extended the due date for filing Form No. 10A to 31.08.2021 by Circular No. 12/2021 dated 25.06.2021, to 31.03.2022 by Circular No. 16/2021 dated 29.08.2021, to 25.11.2022 by Circular No. 22/2022 dated 01.11.2022 and further to 30.09.2023 by Circular No. 6/2023 dated 24.05.2023, and extended the due date for filing Form No. 10AB to 30.09.2022 by Circular No. 8/2022 dated 31.03.2022 and further to 30.09.2023 by Circular No. 6/2023 dated 24.05.2023.

2. *Representations have been received in the Board with a request to condone the delay in filing Form No. 10A/10AB, as the same could not be filed in such cases within the last extended date, i.e., 30.09.2023.*

3. *On consideration of the matter, with a view to avoid and mitigate genuine hardship in such cases, the Board, in exercise of the powers conferred under section 119 of the Act, hereby extends the due date of making an application/intimation electronically in — (i) Form No. 10A, in case of an application under clause (i) of the first proviso to clause (23C) of section 10 or under sub-clause (i) of clause (ac) of sub-section (1) of section 12A or under clause (i) of the first proviso to sub-section (5) of section 80G or in case of an intimation under fifth proviso of subsection (1) of section 35 of the Act, till 30.06.2024; (ii) Form No. 10AB, in case of an application under clause (iii) of the first proviso to clause (23C) of section 10 or under sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or under clause (iii) of the first proviso to sub-section (5) of section 80G of the Act, till 30.06.2024.*

4. *It may be also noted that extension of due date as mentioned in paragraph 3(ii) shall also apply in case of all pending applications under clause (iii) of the first proviso to clause (23C) of section 10 or sub-clause (iii) of clause (ac) of sub-section (1) of section 12A or under clause (iii) of the first proviso to sub-section (5) of section 80G of the Act, as the case may be. Hence, in cases where any trust, institution or fund has already made an application in Form No.10AB under the said provisions on or before the issuance of this Circular, and where the Principal Commissioner or Commissioner has not passed an order before the issuance of this Circular, the pending application in Form No. 10AB may be treated as a valid application.*

4.1 *Further, in cases where any trust, institution or fund has already made an application in Form No. 10AB, and where the Principal Commissioner or Commissioner has passed an order rejecting such application, on or before the issuance of this Circular, solely on account of the fact that the application was furnished after the due date or that the application has been furnished under the wrong section code, it may furnish a fresh application in Form No. 10AB within the extended time provided in paragraph 3(ii) i.e. 30.06.2024.*

5. It is also clarified that if any existing trust, institution or fund who had failed to file Form No. 10A for AY 2022-23 within the due date as extended by the CBDT Circular No. 6/2023 dated 24.05.2023 and subsequently, applied for provisional registration as a new trust, institution or fund and has received Form No. 10AC, it can avail the option to surrender the said Form No. 10AC and apply for registration for AY 2022-23 as an existing trust, institution or fund in Form No. 10A within the extended time provided in paragraph 3(i) i.e. 30.06.2024.”

6. The Ld. AR further drew our attention to the proviso brought into section 12A(1)(ac) of the Act w.e.f. 01.10.2024 which reads as under:

“[Provided that where the application is filed beyond the time allowed in sub-clauses (i) to (vi), the Principal Commissioner or Commissioner may, if he considers that there is a reasonable cause for delay in filing the application, condone such delay and such application shall be deemed to have been filed within time;]

6.1 The Ld. AR contended that the above-mentioned proviso was brought into the statute to overcome difficulties and hardships faced by Trusts & Institutions, which were not well acquainted with frequent amendments made in section 12A of the Act. Accordingly, he prayed that the said application filed for registration under section 12AB of the Act be treated to have been filed under respective clause of the said section for regular registration under section 12A of the Act.

7. On the other hand, the Ld. Sr. DR vehemently argued the case and prayed for dismissal of appeals on the reasoning that the assessee's application for regular registration under Section 12A(1)(ac)(iii) of the Act was

not valid and consequentially, the application for approval under section 80G of the Act.

8. We have heard both parties and have perused the material available on the records. We find merit in the arguments of the Ld. AR. The purpose of granting registration under section 12AB of the Act and approval under section 80G of the Act is to provide/enhance the socio-economic welfare to achieve the directive principles of the state policy. Sections 12A, 12AB and 80G of the Act are welfare legislations rather than penal in nature. Therefore, considering the larger interest of justice, objectives and intent of provisions of section 12A, 12AB and 80G of the Act (including the above-mentioned amendment and Circular No.7/2024) and facts in entirety, we are directing the Ld. CIT(E) to consider either the above-mentioned application filed on 12.06.2024 for registration under section 12A(1)(ac)(iii) of the Act as valid application or to call another application afresh and to consider condoning delay as per the proviso brought into section 12A(1)(ac) of the Act w.e.f. 01.10.2024 and decide the issue of registration under section 12AB of the Act afresh. We therefore, set aside impugned orders and remand the matter back to the file of the Ld. CIT(E) for deciding both issues of granting registration under section 12AB of the Act and approval under section 80G of the Act afresh after affording reasonable opportunity of being heard to the appellant assessee.

9. In the result, both appeals are allowed for statistical purposes.

Order pronounced in open Court on 11th June, 2025

Sd/-

**(MAHAVIR SINGH)
VICE PRESIDENT**

Sd/-

**(AVDHESH KUMAR MISHRA)
ACCOUNTANT MEMBER**

Dated: 11/06/2025

Binita, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent/CIT(E)
3. Sr. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI