

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR**

**BEFORE SH. UDAYAN DASGUPTA, JUDICIAL MEMBER
AND SH. BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

I.T.A. No. 69/Asr/2025

Assessment Year: NA

Shree Atam Vallabh Jain Clinic,
Patel Chowk, Jammu, Jammu &
Kashmir 180001

Vs.

Commissioner of Income Tax
(Exemptions), Chandigarh

[PAN: AACTS 5475P]

(Appellant)

(Respondent)

Appellant by : Sh. Nipun Khanna, C.A.
Respondent by : Sh. M. S. Nethrapal, CIT- D.R.
Date of Hearing : 26.05.2025
Date of Pronouncement : 07.07.2025

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is preferred by the assessee against the order of the Id. Commissioner of Income Tax (Exemptions), Chandigarh dated 16.04.2024 rejecting the application for registration filed u/s 12A(1)(ac)(vi) of the Act, 1961.

2. The grounds of appeal taken by the assessee in Form No. 36 are as follows:

- “1. That the order for rejection of original application for 12A registration of the appellant dated 16.04.2024 and further rejecting the application filed for 12A registration vide intimation dated 26.11.2024 is illegal and arbitrary and this ground of appeal pervades other grounds of appeal too.
2. That the Ld. CIT Exemptions Chandigarh has erred on law and facts by rejecting 12A registration application of the appellant solely on the reason that the earlier 12A registration application was rejected without looking into the facts and circumstances of the case that earlier application was rejected due to application been filed under wrong section and again application was filed in Form 10AB before the due date specified in Circular No. 7/2024 dated 25th April 2024. Therefore, the order has been passed by the Ld. CIT Exemptions Chandigarh in a non-speaking manner without affording benefit of guidelines of Circular No. 7/2024 dated 25.04.2024.
3. That the Ld. CIT Exemptions Chandigarh has erred on law and facts by rejecting 12A registration application of the appellant without appreciating the replies and documentary evidence filed to prove the genuineness of activities filed during the course of proceedings as specifically called for by the Ld. CIT Exemptions Chandigarh from time to time. ^v
4. That appellant prays to set aside and remand back the case to Ld. CIT Exemptions Chandigarh for decision afresh, affording reasonable opportunity of being heard to the appellant and deciding the case of the appellant on merits.
5. The appellant craves liberty to add, to alter, to modify, to amend or delete/ withdraw any of the grounds of appeal at the time of on or before the hearing of appeal.”

3. Brief facts emerging from the record are that the assessee is a society provisionally registered in Form 10AC u/s 12AB vide order dated 24.09.2021 which was valid from assessment years 2022-23 to 2024-25. Thereafter, the assessee filed application for final registration in Form 10AB on 30.10.2023 which was inadvertently filed under a wrong section code u/s 12A(1)(ac)(vi)(B) instead of section 12A(1)(ac)(iii) which is actually the correct code. On account of such a wrong application code, the Id. CIT(E) rejected the application vide order dated 16.04.2024.

4. Subsequently, the CBDT issued circulars extending time limit for final registration in Form 10A/10AB (*being Circular No. 7/2024 dated 25.04.2024*) which extended the time limit for filing Form 10AB u/s 12A(1)(ac)(iii) upto 30th June, 2024. It was further stated in the said circular (para 4.1) that where the trust, institution or fund has already filed application in Form 10AB and it was rejected due to it being filed after the due date or due to wrong section code, such trust, institution or fund may furnish a fresh application in Form 10AB within the extended time provide in paragraph 3(ii) i.e., 30.06.2024.

5. Relying on the said CBDT Circular, the assessee filed a fresh application in Form 10AB on 27.06.2024 for assessment year 2022-23 under the correct section code, i.e. u/s 12A(1)(ac)(iii) for regularizing his provisional registration and the same

was filed within the extended due date of 30.06.2024 as per CBDT Circular No. 7/2024 dated 25.04.2024.

6. In response to such application, necessary queries were raised and in response to such queries, submissions and replies has been submitted by the assessee on 12.11.2024 in the online portal (*acknowledgment receipt of such submission made in online portal on 12.11.2024 are enclosed in paper book page no. 8*). However, the Id. CIT(E) without considering the documents placed before him has rejected the applications with *a letter of intimation for 12A(1)(ac)(iii) dated 26.11.2024* where it has been stated that since the application has been once rejected earlier, the assessee cannot apply for registration afresh u/s 12A and the said application was treated as rejected.

7. Now, the matter is in appeal before the Tribunal on the grounds contained in the memorandum of appeal.

8. The Id. AR of the assessee submitted that the Id. CIT(E) issued hearing notices asking for fresh information and evidence and thereafter cancelled the application for registration due to rejection of earlier application which is against the provisions of natural justice and is in violation of *CBDT Circular No. 7/2024 dated 25.04.2024*. The Id. AR further submitted that the all necessary documentary evidences and submissions has been filed before the Id. CIT(E) on 12.11.2024 which is evident

from the portal and includes various evidences such as provisional registration certificate in Form 10AC, copies of audited balance sheet for 2022-23 and 2023-24, ledger A/c of expenditure, bank statements, photographs and newspaper cuttings, documentary evidences, registration certificate from registrar of societies income expenditure A/c and balance sheet, evidence in respect of gross receipts, copies of the constitution of the trust deed and details of office-bearers. He further submitted that all these documentary evidences filed before the Id. CIT(E) has been rejected without giving any cognizance to the same, and the principles of natural justice has been violated in this case and he should get an opportunity for proper hearing before the Id. CIT(E) to place all his documentary evidences and submissions on merits of the case and on this issue he relied on the judgment of the Hon'ble ITAT Mumbai Bench in case of *Braingyan Foundation v. CIT(E) [2023] 200 ITD 138 (Mum)(Trib.) AY 2022-23* and the Hon'ble ITAT Amritsar Bench in the case of *Peer Panchal Educational and Welfare Trust v. CIT [2023] 201 ITD 170 (Amritsar)(Trib.) AY 2018-19*.

9. The Id. DR relied on the order of the Id. CIT(E).

10. We have heard the rival submissions and considered the materials on record and we find that simply quoting an incorrect section code will not disqualify the valid application for registration. On this issue we draw reference to the judgment of the

Hon'ble ITAT Pune Bench in the case of *Sai Shankar Trust v. CIT (Exemptions)* in *ITA No. 2297/PUN/2024* and the Hon'ble Mumbai Bench in the case of *Celebrate Life v. CIT (Exemptions), Mumbai in ITA No. 5692/MUM/2024 for AY 2022-23 dated 31.12.2024*. We find that in the instant case, that the trust is engaged in the charitable works and has fulfilled all the conditions that are required for registration and has submitted all documentary evidences in course of hearing but the said documentary evidence has not been given any cognizance and has been brushed aside without hearing. We also find that in the instant case, natural justice has been violated and the assessee is also entitled to the benefit of the extension of due date of filing Form 10A/10AB as allowed by the *CBDT Circular 7/2024 dated 30.05.2024*.

11. As such, in the interest of justice, we remand the matter back to the files of the Id. CIT(E) to consider the application for registration afresh after taking into consideration, the *CBDT Circular dated 30.05.2024/(7/2024)* and all the documentary evidences already submitted by the assessee and to proceed with the registration application as per provisions of law and the assessee is also directed to file all documentary evidences in support of his contention. As such, the matter is remanded back to the files of the Id. CIT(E) with the aforesaid direction. The assessee should be allowed reasonable opportunity of being heard.

12. We have not expressed any opinion on merits and all legal issues are left open.

13. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 07.07.2025

Sd/-
(Brajesh Kumar Singh)
Accountant Member

Sd/-
(Udayan Dasgupta)
Judicial Member

GP/Sr.PS

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

True Copy
By Order