

**IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "B", PUNE**

**BEFORE SHRI R. K. PANDA, VICE PRESIDENT
AND
Ms. ASTHA CHANDRA, JUDICIAL MEMBER**

ITA Nos.2618 & 2619/PUN/2025

Shree Chaitanya-Ram Foundation Sarvanah Hills, Flat No.401, DSK Ranwara Lane, Bavdhan, Pune – 411021 PAN: ABICS2444J	Vs.	CIT(Exemption), Pune
(Appellant)		(Respondent)

Assessee by : Shri Nikhil S Pathak
Department by : Shri Prashant Gadekar, CIT
Date of hearing : 20-01-2026
Date of pronouncement : 21-01-2026

ORDER

PER BENCH :

The above two appeals filed by the assessee are directed against the separate orders dated 09.09.2025 of the Ld. CIT(Exemption), Pune rejecting the application for grant of approval u/s 80G and registration u/s 12A of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') respectively. For the sake of convenience, both these appeals were heard together and are being disposed of by this common order.

2. First we take up ITA No.2619/PUN/2025. Facts of the case, in brief, are that the assessee filed an application in Form No.10AB on 27.03.2025 for registration of the trust under section 12A(1)(ac)(vi)-ITEM(b) of the Act. With a view to verify the genuineness of the activities of the assessee and compliance to

requirements of any other law for the time being in force by the trust / institution as are material for the purpose of achieving its objects, a notice was issued through ITBA portal on 07.05.2025 requesting the assessee to upload certain information / clarification. In response to the same, the assessee filed certain details. From the various details furnished by the assessee the CIT(Exemption) noted that the details given by the assessee are very general in nature and no specific details as what actual activities were carried out are not submitted. No supporting credible evidences like bills / invoices were furnished. Further, the photographs furnished do not establish any charitable activities. He further noted that the assessee has filed the present application u/s 12(1)(ac)(vi)(B) of the Act. Again, there was delay in filing of the application. He, therefore, rejected the various submissions made by the assessee and rejected the application for grant of registration u/s 12A of the Act.

3. Since the CIT(Exemption) rejected the grant of registration u/s 12A of the Act and cancelled the provisional registration granted earlier, he rejected the application for grant of approval u/s 80G of the Act also.

4. Aggrieved with such order of CIT(Exemption), the assessee is in appeal before the Tribunal by raising the following grounds:

On the facts & circumstances of the case and in law, the learned CIT-Exemption erred -

(1) *in holding that the assessee had failed to establish the genuineness of its charitable activities without appreciating the submissions by the assessee company:*

- (2) *that on the facts and in the circumstances of the case and considering the principles of natural justice, the matter should be set aside to the file of the Assessing Officer to be decided afresh after considering the merits of the application and providing a fair opportunity to the appellant.*
- (3) *It is therefore prayed that the Hon'ble ITAT may pleased to*
- a. Quash the order of the learned CIT (E) dated 09/09/2025*
 - b. Set aside the matter to the file of the Assessing Officer with a direction to re-adjudicate the application under Section 12AB after providing a reasonable opportunity to the appellant.*
 - c. Pass any other order as Hon'ble Tribunal deems fit and proper in the interest of justice.*

5. Similar grounds have been raised in ITA No.2618/PUN/2025 which read as under:

On the facts & circumstances of the case and in law, the learned CIT - Exemption erred

- (1) in rejecting the application for approval u/s 80G(5) citing the technical discrepancies in filing Form 10AB*
- (2) in cancelling the provisional registration granted on 27/01/2023 citing the same reasons as per Ground No.1;*
- (3) that on the facts and in the circumstances of the case and considering the principles of natural justice, the matter should be set aside to the file of the Assessing Officer to be decided afresh after considering the merits of the application and providing a fair opportunity to the appellant.*
- (4) It is therefore prayed that the Hon'ble ITAT may pleased to*
 - a. Quash the order of the learned CIT (E) dated 09/09/2025*
 - b. Set aside the matter to the file of the Assessing Officer with a direction to re adjudicate the application under Section 80G after providing a reasonable opportunity to the appellant.*
 - c. Pass any other order as Hon'ble Tribunal deems fit and proper in the interest of justice.*

6. The Ld. Counsel for the assessee at the outset submitted that the CIT(Exemption) basically rejected the application for grant of registration u/s 12A of the Act on two counts i.e. delay in filing of the application and mentioning wrong code. The Ld. Counsel for the assessee at the outset referring to the affidavit for condonation of delay in filing of Form No.10AB, copy of which is placed at pages 1 to 3 of the paper book submitted that both the provisional approval u/s 12A and u/s 80G of the Act were granted vide Form No.10AC dated 19.01.2023 and 27.01.2023 respectively. The provisional approval was valid from assessment year 2023-24 to 2025-26. He submitted that as per the provisions of the Act, the application for regular approval u/s 12A and 80G of the Act was required to be filed within the prescribed time limit specifically before six months from the end of the provisional approval or within six months from the date of commencement of activities whichever is earlier. He submitted that the assessee was under the genuine and bonafide belief that the due date for filing the applications for regular approval was 30.09.2025 i.e. within six months from the end of the provisional approval. He submitted that since the assessee was genuinely unaware of the specific time limits and statutory requirements under the Act for filing the application for regular approval there occurred some delay in filing of the application before the Ld. CIT(Exemption).

7. Referring to the decision of the Co-ordinate Bench of the Tribunal in the case of Sunworld Society for Social Service vs. CIT(Exemption) reported in (2025) 176 taxmann.com 758 (Pune-Trib), he submitted that the Tribunal in the

said decision has held that newly inserted proviso to section 12A(1)(ac)(vi) empowers the Principal Commissioner or Commissioner to condone delay if they find that there was reasonable cause in not filing application within prescribed time limit.

8. So far as the wrong code is concerned, he submitted that the Pune Bench of the Tribunal in the case of PSR Sustainability Foundation vs. CIT (Exemption) reported in (2025) 179 taxmann.com 258 (Pune-Trib.) has held that where assessee-trust filed application for grant of regular registration under section 12A(1)(ac)(iii) and Commissioner (Exemption) rejected said application on ground that assessee failed to make compliance to second notice issued by him calling for information/clarification, since wrong selection of section code/clause would not disentitle assessee to its rightful claim, Commissioner (Exemption) was directed to give an opportunity to assessee to file correct application and then decide case on merits. He accordingly submitted that he has no objection if the matter is restored to the file of the Ld. CIT(Exemption) with a direction to consider the application for condonation of delay and decide the issue afresh and in accordance with law after giving due opportunity of being heard to the assessee.

9. The Ld. DR on the other hand heavily relied on the order of the Ld. CIT(Exemption) in rejecting the application for grant of registration u/s 12A and the approval u/s 80G of the Act.

10. We have heard the rival arguments made by both the sides, perused the order of the CIT(E) and the paper book filed on behalf of the assessee. We have also considered the various decisions cited before us. It is an admitted fact that the assessee was granted provisional approval u/s 12A and 80G of the Act vide Form No.10AC dated 19.01.2023 and 27.01.2023 respectively. The provisional approval was valid from assessment year 2023-24 to 2025-26. As per provisions of the Act, the application for grant of regular approval u/s 12A and 80G of the Act was required to be filed within the prescribed time limit specifically before six months from the end of the provisional approval or within six months from the date of commencement of activities whichever is earlier. However, the assessee in the instant case filed the application for regular approval u/s 12A and 80G of the Act vide Form No.10AB on 27.03.2025 and 31.03.2025 respectively. Thus, due to delay in filing of the application for grant of registration u/s 12A and approval u/s 80G of the Act, the Ld. CIT(Exemption) rejected the application. While doing so, he further noted that the assessee has not given the full details as called for and also there was mention of wrong code.

11. It is the submission of the Ld. Counsel for the assessee that in view of the newly inserted proviso to section 12A(1)(ac)(vi) of the Act, the Principal Commissioner or Commissioner can condone the delay if they find that there was reasonable cause in not filing application within prescribed time limit. It is also his submission that wrong selection of section code / clause would not disentitle

assessee to its rightful claim and the Commissioner should give an opportunity to assessee to file correct application and decide the case on merits.

12. We find some force in the above arguments of the Ld. Counsel for the assessee. So far as the delay in filing of the application is concerned, we find the Co-ordinate Bench of the Tribunal in the case of Sunworld Society for Social Service vs. CIT(Exemption) (supra) has held that newly inserted proviso to section 12A(1)(ac)(vi) empowers the Principal Commissioner or Commissioner to condone delay if they find that there was reasonable cause in not filing application within prescribed time limit. Accordingly the matter was remanded back to the file of the CIT(Exemption) with a direction to treat the application as filed within time and decide the issue afresh. The relevant observations of the Tribunal read as under:

“6. We have heard Ld. Counsels from both the sides and perused the material available on record. We find that the assessee is an old trust and has already commenced its activities prior to 2021 and has obtained provisional registration on 28.05.2021 which was valid upto assessment year 2024-25. According to Ld. CIT, Exemption, Pune, the assessee was required to file present application within six months from the date of commencement of its activities or at least six months prior to expiry of provisional registration i.e. on or before 30.09.2023. However, we also find that the CBDT has extended the due date of filing of such application upto 30.06.2024. We further find that it was the contention of Ld. AR of the assessee that the provisional registration u/s 12A(1)(ac)(vi) of the IT Act was granted upto assessment year 2024-25 and the assessee therefore was required to file the present application at least six months prior to expiry of provisional registration i.e. on or before 30.09.2024. On the other hand, according to Ld. CIT, Exemption, Pune, the provisional registration was granted upto 31.03.2024 and therefore the assessee was required to file above application prior to six months from the expiry of provisional registration i.e. on or before 30.09.2023. In this regard, Ld. AR of the assessee relied on the order passed by the Co-ordinate Bench of this Tribunal in the case of Mitcon Forum for Social Development (supra) wherein under identical facts and similar circumstances, however for approval u/s 80 G of the IT Act, the Tribunal allowed the appeal of the assessee by treating the application as filed within time by observing as under :-

“11. In this context, we will like to refer to observations of the Hon’ble Supreme Court in the case of *K P Varghase(supra)*, where in the Hon’ble Supreme Court observed as under :

Quote, “It is a well-recognised rule of construction that a statutory provision must be so construed, if possible, that absurdity and mischief may be avoided. There are many situations where the construction suggested on behalf of the revenue would lead to a wholly unreasonable result which could never have been intended by the Legislature. Take, for example, a case where A agrees to sell his property to B for a certain price and before the sale is completed pursuant to the agreement and it is quite well known that sometimes the completion of the sale may take place even a couple of years after the date of the agreement - the market price shoots up with the result that the market price prevailing on the date of the sale exceeds the agreed price at which the property is sold by more than 15 per cent of such agreed price. This is not at all an uncommon case in an economy of rising prices and in fact we would find in a large number of cases where the sale is completed more than a year or two after the date of the agreement that the market price prevailing on the date of the sale is very much more than the price at which the property is sold under the agreement. Can it be contended with any degree of fairness and justice that in such cases, where there is clearly no understatement of consideration in respect of the transfer and the transaction is perfectly honest and bona fide and, in fact, in fulfilment of a contractual obligation, the assessee who has sold the property should be liable to pay tax on capital gains which have not accrued or arisen to him. It would indeed be most harsh and inequitable to tax the assessee on income which has neither arisen to him nor is received by him, merely because he has carried out the contractual obligation undertaken by him. It is difficult to conceive of any rational reason why the Legislature should have thought it fit to impose liability to tax on an assessee who is bound by law to carry out his contractual obligation to sell the property at the agreed price and honestly carries out such contractual obligation. It would indeed be strange if obedience to the law should attract the levy of tax on income which has neither arisen to the assessee nor has been received by him. If we may take another illustration, let us consider a case where A sells his property to B with a stipulation that after sometime, which may be a couple of years or more, he shall resell the property to A for the same price. Could it be contended in such a case that when B transfers the property to A for the same price at which he originally purchased it, he should be liable to pay tax on the basis as if he has received the market value of the property as on the date of resale, if, in the mean-while, the market price has shot up and exceeds the agreed price by more than 15 per cent. Many other similar situations can be contemplated where it would be absurd and unreasonable to apply section 52(2) according to its strict literal

construction. We must, therefore, eschew literalness in the interpretation of section 52(2) and try to arrive at an interpretation which avoids this absurdity and mischief and makes the provision rational and sensible, unless of course, our hands are tied and we cannot find any escape from the tyranny of the literal interpretation. It is now a well-settled rule of construction that where the plain literal interpretation of a statutory provision produces a manifestly absurd and unjust result which could never have been intended by the Legislature, the Court may modify the language used by the Legislature or even 'do some violence' to it, so as to achieve the obvious intention of the Legislature and produce a rational construction -" Unquote.

11.1 Thus, as observed by the Hon'ble Supreme Court, that the statutory provision shall be interpreted in such a way to avoid absurdity. In this case to avoid the absurdity as discussed by us in earlier paragraph, we are of the opinion that the words, "within six months of commencement of its activities" has to be interpreted that it applies for those trusts/institutions which have not started charitable activities at the time of obtaining Provisional registration, and not for those trust/institutions which have already started charitable activities before obtaining Provisional Registration. We derive the strength from the Speech of the Hon'ble Finance Minister and the Memorandum of Finance Bill. 2020.

11.2 Therefore, in these facts and circumstances of the case, we hold that the Assessee Trust had applied for registration within the time allowed under the Act. Hence, the application of the assessee is valid and maintainable.

12. Even otherwise, assessee had received provisional approval under section 80G(5) on 02.10.2021 and it was valid upto A.Y.2024-25. The assessee had applied for registration under section 80G on 13.09.2024 which was before A.Y.2024-25. Thus, assessee had applied for permanent registration under section 80G before the expiry of provisional approval. Therefore, the application of the assessee was not time barred.

13. In these facts and circumstances, we set-aside the order under 80G to ld.CIT(E) for denovo adjudication. The ld.CIT(E) shall give opportunity to the assessee of being heard. Accordingly, grounds of appeal are allowed for statistical purpose.

14. In the result, appeal of the assessee is allowed for statistical purpose."

7. Respectfully following the above decision of the Tribunal (supra), and in the light of newly inserted proviso to sub clause vi of clause (ac) of sub-section (1) of section 12A wherein the PCIT or CIT have been empowered to condone the delay if they find that there was reasonable cause in not filing the application within the prescribed time limit, we deem it appropriate to set-aside the order passed by Ld.

CIT, Exemption, Pune and remand the matter back to his file with a direction to treat the application as filed within time and decide the issue afresh as per fact and law after providing reasonable opportunity of hearing to the assessee. The assessee is also hereby directed to respond to the notices issued by Ld. CIT, Exemption, Pune in this regard and produce relevant documents/evidences, if any, in support of application for registration u/s 12A(1)(ac)(iii) of the IT Act without taking any adjournment under any pretext, otherwise Ld. CIT, Exemption, Pune shall be at liberty to pass appropriate order as per law. Thus, the grounds raised by the assessee are partly allowed.”

13. Similarly, so far as the issue of wrong code is concerned, we find the Coordinate Bench of the Tribunal in the case of PSR Sustainability Foundation vs. CIT (Exemption) (supra) has held that wrong selection of section code/clause would not disentitle assessee to its rightful claim and accordingly the Commissioner (Exemption) was directed to give an opportunity to assessee to file correct application and then decide case on merits. The relevant observations of the Tribunal from para 10 to 13 read as under:

“10. We have heard the ld. Departmental Representative and perused the relevant material on record placed before us. Appellant is aggrieved by the rejection of application for grant of regular registration u/s.12A of the Act. It is an admitted fact that the appellant failed to make compliance before ld.CIT(E) for the second notice substantiating the charitable activities carried by it due to which the Ld. CIT(E) rejected the application of the appellant for regular registration u/s 12A and also cancelled the provisional registration granted earlier. It is manifest that the second notice was issued on 29.11.2024 fixing the compliance on or 05.12.2024.

11. It has been firstly contended by the appellant in the appeal memo set that it was required to file application in Form 10AB u/s.12A(1)(ac)(vi)-Item (B) but filed against section 12A(1)(ac)(iv)-ITEM (A) of the Act. Secondly, the time provided for compliance to the second notice dated 29.11.2024 is only 3- 4 working days and it is unreasonable.

12. So far as selection of wrong section in the application filed for regular registration u/s.12A of the Act, we note that similar issue came up for adjudication before Coordinate Bench, Surat in the case of Shree Swaminarayan Gadi Trust Vadtal (SVG) Vs. CIT (Exemptions), Ahmedabad in ITA Nos. 369 & 370/Srt/2024, dated 13.05.2024 and the finding of the Tribunal reads as under :

“5. We have considered the submissions of both the parties and perused the record carefully. There is no dispute that the appellant applied for registration under Section 12A/12AB of the Act under Form 10AB on 28.09.2023. The ld. CIT(E) while considering the application of appellant noted that the application filed by appellant is not maintainable and accordingly, a show cause notice dated 02/11/2023 was issued for seeking clarification. The appellant responded to the show cause notice of ld CIT(E) vide their reply dated 15.12.2023. The contents of show cause notice and the reply thereof is not recorded by ld CIT(E) in his order. We find that the appellant vide their reply dated 15/12/2023 prayed to consider the application in appropriate sub-clause of section 12A(1). The ld CIT(E) held that he has no power to change/ amend or rectify Form-10AB. We find that it was an inadvertent mistake and the appellant has already explained the facts and prayed for correction before the ld. CIT(E). In our view the mistake in filing entry was not fatal and could be considered in appropriate sub-clause or clause of section 12A(1). Otherwise, the appellant has provided all the details and information in Form-10AB, while applying for registration under section 12A/12AB. Being first appellate authority, the plea of appellant for correction in Form-10AB is accepted and the order of ld CIT(E) is set aside. The registry official of ld CIT(E) maintaining record of ITBA portal about the registration of trust under section 12A/12AB is directed either to correct such mistake or allow the appellant to rectify or amend the relevant clause/ sub-clause of section 12A(1). Considering the fact that the application of appellant was not considered on merit, therefore, we deem it appropriate to direct the ld. CIT(E) to treat the application of appellant under Section 12A(1)(ac)(iii) in place of Section 12A(1)(ac)(iv) of the Act and to consider the case on merit and pass the order in accordance with law. Needless to direct that before passing the order, the ld CIT(E) shall grant opportunity of hearing to the appellant. The appellant is also directed to furnish complete details to prove its object and activity and make all compliances as desired by the ld. CIT(E). In the result, the grounds of appeal raised by the appellant are allowed for statistical purposes only.”

13. In light of the above decision and having given our thoughtful consideration to the given facts and circumstances prevailing in the instant case, we are of the opinion that the ld. CIT(E) ought to have given an opportunity to the appellant to rectify the defect. Further we are of the view that wrong selection of section code/clause would not disentitle the appellant to its rightful claim. Selection of wrong clause by the appellant cannot be treated as fatal to the proceedings initiated after the filing of the application. We therefore in the interest of natural justice and being fair to both the parties deem it appropriate to grant one more opportunity to the appellant, setting aside the impugned order to the file of ld. CIT(E). The ld.CIT(E) shall give an opportunity to the appellant to file the correct application and then decide the case on merits denovo after granting reasonable opportunity to the appellant. Appellant is also directed to remain vigilant and make satisfactory compliance to the notice(s) of hearing issued by ld.CIT(E). It should refrain from taking adjournments unless otherwise required for reasonable

cause. Effective grounds of appeal raised by the appellant are allowed for statistical purposes.”

14. In view of the above discussion and respectfully following the above decisions of the Co-ordinate Bench of the Tribunal cited (supra), we deem it proper to restore the issue to the file of the Ld. CIT(Exemption) with a direction to consider the application for condonation of delay and give an opportunity to the assessee to file correct application removing the defects in selection of wrong code/clause and decide the appeal afresh. Needless to say, the Ld. CIT(Exemption) shall give due opportunity of being heard to the assessee and decide the issue as per fact and law. We hold and direct accordingly. The grounds raised by the assessee are accordingly allowed for statistical purposes.

15. So far as the application for approval u/s 80G is concerned, since we are restoring the matter relating to registration u/s 12A of the Act to the file of the Ld. CIT(Exemption), therefore considering the totality of the facts of the case and in the interest of justice, we deem it proper to restore the issue of grant of approval u/s 80G of the Act also to the file of the Ld. CIT(Exemption) with a direction to give an opportunity to the assessee to file the requisite details to his satisfaction and decide the issue afresh and in accordance with law. The grounds raised by the assessee in ITA No.2618/PUN/2025 are accordingly allowed for statistical purposes.

16. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open Court on 21st January, 2026.

Sd/-

(ASTHA CHANDRA)

JUDICIAL MEMBER

पुणे Pune; दिनांक Dated : 21st January, 2026

GCVSR

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

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent
3. The concerned Pr.CIT, Pune
4. DR, ITAT, 'B' Bench, Pune
5. गार्ड फाईल / Guard file.

Sd/-

(R. K. PANDA)

VICE PRESIDENT

आदेशानुसार/ BY ORDER,

// True Copy //

Assistant Registrar
आयकर अपीलीय अधिकरण ,पुणे
/ ITAT, Pune

S.No.	Details	Date	Initials	Designation
1	Draft dictated on	20.01.2026		Sr. PS/PS
2	Draft placed before author	21.01.2026		Sr. PS/PS
3	Draft proposed & placed before the Second Member			JM/AM
4	Draft discussed/approved by Second Member			AM/AM
5	Approved Draft comes to the Sr. PS/PS			Sr. PS/PS
6	Kept for pronouncement on			Sr. PS/PS
7	Date of uploading of Order			Sr. PS/PS
8	File sent to Bench Clerk			Sr. PS/PS
9	Date on which the file goes to the Office Superintendent			
10	Date on which file goes to the A.R.			
11	Date of Dispatch of order			