

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” BENCH, AHMEDABAD**

**BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER AND  
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 2084/AHD/2025  
Assessment Years: 2020-21**

Ummeed Foundation, 79, Pancham Duplex, Near Raghukul Vidhyalaya, New VIP Road, Vadodara, Gujarat – 390018 <b>[PAN – AAATU9353N]</b>	Vs.	Income Tax Officer, Ward -3(1)(2), Vadodara - 390007
(Appellant)		(Respondent)
Assessee by	Shri Hemant Suthar, AR	
Revenue by	Shri Suresh Chand Meena, SR-DR	
Date of Hearing	18.02.2026	
Date of Pronouncement	20.02.2026	

**ORDER**

**PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:**

This appeal is filed by the assessee against the order of Addl./Joint Commissioner of Income Tax, (Appeals), Raipur [hereinafter referred to as “Addl. CIT(A)”] dated 04.10.2025 for the Assessment Year (AY) 2020-21 in the proceeding u/s 143(1) of the Income Tax Act.

2. The brief facts of the case are that the assessee is a charitable trust and had filed its return of income for A.Y. 2020-21 on 31.03.2021 declaring total income of Rs. 7,000/- after giving effect to section 11 of the Act. The return was processed u/s. 143(1)(a) of the Act and while processing the return deduction claimed u/s. 11 and 12 of the Act was not

allowed for the reason that the return and Form No. 10B was not filed within the due date. Accordingly, the CPC had processed the return at total income of Rs. 9,59,903/- and raised demand of Rs.1,48,040/-.

3. Aggrieved with the intimation u/s. 143(1)(a) issued by the CPC, the assessee had filed an appeal before the First Appellate Authority which was decided by Ld. Addl. CIT(A) vide the impugned order and the appeal of the assessee was dismissed.

4. Now the assessee is in second appeal before us. The following grounds have been taken in this appeal.

1. *The Ld. Addl./JCIT(A), Raipur has erred in law and in facts in not appreciating the fact that filing of Form No. 10B is the procedural requirement and the claim of deduction u/s. 11 & 12 cannot be denied merely on account of delay in filing of Form 10B. The Ld. Addl. / JCIT(A) ought to have allowed the claim even though there is delay in filing of Form No. 10B.*
2. *The Ld. Addl/JCIT(A), Raipur has erred in law and in facts in not appreciating the fact that the adjustment made by Ld. A.O., CPC, Bengaluru does not fall within the permissible scope of section 143(1)(a), which allows adjustments only for apparent arithmetical errors, incorrect claims, or clear mismatches with information in Form 26AS/AIS/TIS.*
3. *The Ld. Addl/JCIT(A), Raipur has erred in law and in facts in confirming the action of the Ld. A.O., CPC, Bengaluru in assessing the income of the appellant at Rs. 9,59,903/- as against the returned income of Rs. 7,000/- by denying the effect of Sections 11 & 12 of the LT. Act in the computation of income on the alleged ground that the appellant has not filed the return of income u/s. 139(1) in the prescribed time limit, without appreciating the fact that there is no such requirement mandated by Sec. 12A(ba) The impugned addition of Rs. 9,59,903/- being bad in law and in facts is prayed to be deleted.*
4. *The Ld. Addl./JCIT(A), Raipur has further erred in law and in facts in not directing the CPC to allow the deduction in respect of the expenditure incurred/income applied for the purpose/object of the Trust to the tune*

*of Rs. 9,52,905/-. The Ld. Addl./JCIT(A) ought to have allowed the expenditure incurred out of the income of the appellant even though the trust is not eligible for claim of deduction u/s. 11 & 12 of the Act*

5. *The Ld. Addl./JCIT(A), Raipur has further erred in law and in facts in not following the binding Circular No. 2/2018 (F. No. 370142/15/2017-TPL) dated 15.02.2018 and No. F. No. 173/193/2019-ITA-1 dated 23.04.2019 issued in this regard.*
6. *Your appellant craves liberty to add, alter, amend substitute or withdraw any of the grounds of appeal hereinabove contained.*

5. Shri. Hemant Suthar, the Ld. AR of the assessee admitted that the Form No. 10B was filed belatedly on 15.02.2022 as against the due date of 15.02.2021. He submitted that the assessee had filed its return of income on 31.03.2021 which was within the time limit allowed u/s. 139 of the Act. He submitted that only requirement to claim the benefit of provision of section 11 of the Act was that the return of income should be filed within the time limit u/s. 139 of the Act, which was duly complied in the present case. As regarding the filing of Form No. 10B, the Ld. A.R submitted that this was only a procedural requirement and the failure to furnish the same along with return of income cannot be treated as mandatory requirement for claiming exemption u/s. 11 of the Act. In this regard he placed reliance on the following decisions.

- i. Parul Mahila Pragati Mandal (175 taxmann.com 922) (Guj.)*
- ii. Gujarat Technological University (177 taxmann.com 585) (Ahmedabad – Trib.)*
- iii. Social Security Scheme of GICEA (147 taxmann.com 283) (Guj.)*

6. Per contra, Shri Suresh Chand Meena, the Ld. SR-DR, submitted that the due date of filing of return for this year was 31.12.2021 only. Since the assessee had not filed the return within the due date, the CPC had rightly disallowed the claim for deduction u/s. 11 of the Act. He, therefore, strongly supported the order of the Ld. CIT(A).

7. We have considered the rival submissions. The assessee had filed its return of income for A.Y. 2020-21 on 31.03.2021 as against extended due date of 15.02.2021 for this year. Considering the fact that the return was filed during pandemic period, the delay, if any, in filing of return has to be leniently considered. Further, the CBDT vide Circular F.No.173/193/2019-ITA-I had clarified that the entities registered under section 12AA of the Act were required to file return of income within the time allowed u/s 139 of the Act, which includes the time for filing of belated return. Therefore, the deduction claimed by the assessee couldn't have been denied on the ground of delay in filing of return as the same was filed within the time limit u/s 139 of the Act. As regarding delay in filing of Form No. 10B, the Hon'ble Jurisdictional High Court has held in the case of *Parul Mahila Pragati Mandal (supra)* that this was only a procedural requirement for claiming exemption u/s. 11 of the Act and even if such Form is filed at the later stage, the assessee will be entitled to claim exemption u/s. 11 of the Act. The observation of the Hon'ble High Court in that case is as under:

"7.1 In *Association of Indian Panel Board Manufacturers v Dy CIT* [2023] 157 taxmann.com 550/482 ITR 54 (Gujarat), this Court has categorically held that filing of Form 10B is only a procedural requirement and the failure to file Form 10B along with the return of income cannot be treated as mandatory requirement for the purpose of claiming exemption under Section 11 and 12 of the Act and even if such Form is filed at a later stage, the Assessee will still be entitled to claim exemption. The aforesaid decision in the case of *Association of Indian Panel Board (supra)* has been followed by this Court in case of *CIT (Exemption) v. Anjana Foundation* [2024] 168 taxmann.com 462 (Gujarat). Thus, it will be seen that the Petitioner-Assessee could not be denied the exemption merely because Form. 10B was not filed within time. In such circumstances, the denial on the part of the Department to condone the delay in complying with the procedural requirement on the part of the Assessee would result in denial of a substantive right of the Assessee to claim an exemption, which would in turn, result in the Assessee having to pay the demanded amount, thereby unjustly enriching the Department. In such view of the matter in our opinion, the Petitioner would have been

caused undue hardship which the Department could have alleviated by allowing the Assessee's application under Section 119(2)(6) of the Act, which is rejected only on the technical grounds

“7.2 This Court in several recent decisions, namely in the case of *Royal Led Equipments (P) Ltd. v. Chucf Commissioner of Income-tax* [2025] 174 taxmann.com 61 (Gujarat)/Special Civil Application No 14786 of 2024 and in the case of *Surart Smart City Development Lid. v. Principal Commissioner of Income-tax* [2024] 169 taxmann.com 222 (Gujarat)/Special Civil Application No. 10397 of 2024 has directed the Department to consider the Assessee's applications under Section 119(2)(b) of the Act to ensure that the purpose for which the said provision remains on the statute book is carried out and the said provision is not rendered illusory or becomes a dead letter.

8. It was submitted that the delay was neither deliberate nor attributable to any *mala fide* intention on the part of the assessee. Therefore, the delay in furnishing Form No. 10B deserves to be condoned in the interest of substantial justice. Following the decision of the Hon'ble Jurisdictional High Court, we set aside the impugned order of the Ld. Addl. CIT(A) and direct the Jurisdictional AO to condone the delay in filing Form No. 10B and thereafter grant the exemption u/s. 11 of the Act, subject to verification of the other statutory conditions which was required to be satisfied.

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

**Order pronounced in the Court on 20/02/2026 at Ahmedabad.**

**Sd/-**  
**(TR SENTHIL KUMAR)**  
Judicial Member  
**Dated – 20<sup>th</sup> February, 2026**  
Neelesh

**Sd/-**  
**(NARENDRA PRASAD SINHA)**  
Accountant Member

True Copy

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण / DR, ITAT,
6. गार्ड फाईल / Guard file.

आदेशानुसार/BY ORDER,

उप/सहायक रजिस्ट्रार (Dy./Asstt.Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad