

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "B" BENCH**

**Before Dr. BRR Kumar, Vice President
And Ms. Suchitra Kamble, Judicial Member**

**ITA No. 1989/Ahd/2025
Assessment Year 2022-23**

Dr. Shivani Bhatt Charitable Foundation, 18, Aryanagar Society, Amul Dairy Road, Anand, Gujarat PAN: AADTD5316P (Appellant)	Vs	The ITO, Ward-Exemption Vadodara (Respondent)
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Assessee by: Shri Pratik Shah, A.R.
Revenue by: Shri Abhijit, Sr. D.R.

Date of hearing : 12-01-2026
Date of pronouncement : 26-02-2026

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

This is an appeal filed against the order dated 25-08-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2022-23.

2. The grounds of appeal are as under:-

"We, Dr. Shivani Bhatt Charitable Foundation (hereinafter referred as "the Appellant") being dissatisfied by the order passed by the Commissioner of Income Tax (Appeals), Addi, CIT/JCIT(A)-7, Mumbai ["CIT(A)" u/s 250 of the Act dated 25 August 2025 for confirming the action of Assistant Commissioner of Income-tax (CPC, Bengaluru) ["Ld. AO" or "CPC"] of non-granting of exemption under section || of the Act in its order dated 04 March 2025 ("the Order") for AY 2022-23 would like to prefer the present appeal

against the same on the following amongst other grounds, which are without prejudice to each other.

1. The learned CIT(A) has erred in fact and in law in confirming the action of the Id. AO of denying exemption u/s 11 of the Act while passing order u/s 154 of the Act by contending that there is mismatch in section under which registration is obtained as per order of approval in Form 10AC vis-à-vis details of registration mentioned in income tax return filed for AY 22-23. It is submitted that the Appellant was originally granted registration u/s 12AA/12A of the Act and any error selection of appropriate section in application filed in Form 10A u/s 12AB leading to erroneous section in order of approval in Form 10AC should not prohibit the Appellant from claiming exemption u/s 11 of the Act. It be so held now.

2. The learned CIT(A) has erred in facts and in law in confirming the action of the learned Assessing Officer in denying the exemption under section 11 of the Act while passing the order under section 154 of the Act. It is therefore prayed that the rectification order passed by the learned Assessing Officer be suitably corrected and accordingly, the exemption w/s 11 of the Act be allowed to the Appellant, It be so held.

3. The learned CIT(A) has erred in fact and in law in denying exemption u/s 11 of the Act despite the fact that the Appellant was not permitted to update the clause to section under which the registration is granted in Form 10AC. Given the impossibility of rectifying Form 10AC, the Appellant should not be denied the exemption under Section 11 of the Act, to which it was otherwise entitled. It be so held now.

4. The learned CIT(A) erred in law and in fact in passing the order rejecting the claim of exemption u/s 11 of the Act without granting the Appellant an opportunity to furnish the required documentary evidence in support of its registration, thereby violating the principles of natural justice. It be so held now.

5. The learned CIT(A) has erred in facts and in law in holding that in the absence of supporting documents, viz., the original registration certificate granted under section 12AA of the Act and a copy of Form 10AC, neither of which were ever called for from the Appellant, the benefit of exemption under section 11 of the Act could not be granted. It is submitted that the CIT(A) had never issued notice of hearing asking written submission and supporting documents, failing to do so makes order passed u/s 250 invalid. It be so held now.

6. The learned CIT(A) has erred in facts and in law in holding that any error in order of approval u/s 12A/ 12AB should be rectified by Commissioner of Income-tax (exemption) either by filing

rectification application u/s 154 of the Act or by filing fresh application in Form 10AC. It is submitted that CIT(A) has sufficient power under provisions of the Act to amend such order of approval under provisions of the Act and thereby issue necessary direction to Ld. AO to grant approval under correct section as sought by the Appellant. It be so held now.

7. Your Appellant prays for leave to add, alter and/or to amend any of the grounds before the final hearing of the appeal.”

3. The assessee is a charitable trust registered u/s. 12AA of the Income Tax Act vide order dated 30th June, 2020. The assessee filed Form 10A on 24th March, 2022 and filed Form 10AC dated 31st March, 2022, for fresh registration. The applicant was granted the registration for the period of 5 years beginning from assessment year 2022-23 to assessment year 2026-27. The assessee filed return of income on 3rd Nov, 2022 declaring total income of Rs. 5,22,220/- after claiming exemption u/s. 11 of the Act. The return was processed u/s. 143(1) of the Act. The Assessing Officer computed the total taxable income at Rs. 58, 34,192/- by disallowing exemption u/s. 11 of the Act and raised demand of Rs. 20,66,640/- including interest u/s. 234B and 234C of the Act. The assessee filed rectification application requesting u/s. 154 of the Act which was rejected by the Assessing Officer vide order dated 4th March, 2025 thereby stating that there was a mismatch between the details in return and Form 10AC.

4. The assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The ld. A.R. submitted that while the assessee initially registered u/s. 12AA of the Act in 2020, Form 10AC issued on 31st March, 2022 mentioned approval u/s. 10(23C) instead of

section 12A/12AA of the Act. The ld. A.R. submitted that this was an error inadvertent and mechanical in nature as its original approval was u/s. 12AA and therefore exemption u/s. 11 ought to have been allowed. The assessee also admitted that the assessee tried to rectify Form 10A through Income Tax Portal but was permitted only to correct name and address details and not the section under which registration was granted. The ld. A.R. submitted the screenshot evidencing this intimation. The ld. A.R. submitted that the matter may be remanded back to the file of the Assessing Officer with the direction to accept the assessee's contention and allow the assessee valid registration.

6. The ld. D.R. relied upon the assessment order and the order u/s. 154 of the Act and the order of the CIT(A).

7. We have heard both the parties and perused all the relevant material available on record. The assessee has produced the registration granted u/s. 12AA vide order dated 30-06-2020 in compliance for the requirement of re-registration under the Taxation and other laws (Relaxation and Amendment of Certain Provisions) Act, 2020. Form 10A was filed on 24-03-2022. The Form 10AC was issued on 31-03-2022 and since the granting of registration u/s. 12A/12AA was interpreted as granting approval u/s. 10(23C) of the Act, it appears as a technical mis-match. Therefore, the Assessing Officer is directed to accept assessee's Form 10AC with the correct section under 12A/12AA after verifying the details and grant the registration after the assessee fulfils the conditions thereof. The Assessing Officer thereafter will adjudicate the matter related to granting of exemption u/s. 11 of the Act accordingly.

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

Order pronounced in the open court on 26-02-2026

Sd/-
(Dr. BRR Kumar)
Vice President
Ahmedabad : Dated 26/02/2026

Sd/-
(Suchitra Kamble)
Judicial Member

a.k.

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद