

आयकर अपीलीय अधिकरण न्याय पीठ मुंबई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“G” BENCH, MUMBAI

BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT &
SHRI ARUN KHODPIA, AM

I.T.A. No. 7428/Mum/2025
(Assessment Year: 2026-27)

Shree Surat Jain Panchayat Fund, 403, Poonam Apartment, Dr. Annie Besant Road, Mumbai-400018. PAN: AAHTS5638P	V S.	CIT (Exemptions) 601, 6 th Floor, Cumbaulla Hill, MTNL Building, Mumbai-400026.
Assessee - अपीलार्थी / Appellant	:	Revenue - प्रत्यर्थी / Respondent

Assessee by : Shri Ashok Mehta, AR
Revenue by : Shri Arun Kanti Datta, CIT-DR
Date of Hearing : 29.01.2026
Date of Pronouncement : 20.02.2026

ORDER

Per Arun Khodpia, AM:

The present appeal preferred by the assessee is directed against the order of Commissioner of Income Tax (Exemption) [in short “Ld. CIT(E)”], dated 28.06.2025, rejecting the application of assessee in Form 10AB under section 12A(1)(ac)(iii) of the Income Tax Act, 1961 (the Act) seeking registration under section 12AB of the Act. The main reason for rejecting the application of assessee was delay in filing of application in Form 10AB of the Act. It is observed by the Id. CIT(E) while rejecting the subject application that the

assessee-trust should have applied for regularization of provisions registration latest by the end of September 2023 (being six months from the end of Financial Year in which the activities were carried out), however the Trust could have filed application for regularization of provisional registration under section 12A on 29.10.2024 i.e., after a delay of 12 months. The assessee in response to aforesaid delay have submitted that the delay in filing of application was due to inadvertent oversight, as the person appointed by the Trust to look after its taxation assignments was having limited knowledge of taxation rules.

2. Such reasons assigned by the assessee was not found favour with the Id. CIT(E), who observed that the contention of assessee is not acceptable as oversight cannot be considered as a reasonable cause of delay, the assessee-trust is supposed to comply with compliances of law, it is well-settled principle that ignorance of law cannot be pleaded as defense or valid excuse. Before us, following grounds of appeal raised by the assessee to challenge the aforesaid order of Id. CIT(E):

“1. The learned Commissioner of Income Tax Exemptions Mumbai erred in rejecting the application of the trust under section 12AB vide order dated 28-6-2025.

2. The learned Commissioner of Income Tax Exemptions Mumbai erred in not condoning the delay in filling the application, without considering the fact that the trust is a non-profit organization with limited resources and the delay was on account of the new law which was not understood properly by trustees or the accountant in-charge of filling the application.”

3. At the outset before us, the Id. AR of the assessee submitted that the delay in filing of application was inadvertent due to lack of knowledge in the person appointed, further it is submitted that there were certain recent changes in the scheme of statute regarding registration of trusts and filing of applications, which is acknowledged and clarified by the CBDT by its Circular No. 7/2024 dated 25.05.2024, considering the issue of wrong section code and understanding issues by the assessee, thereby extended and relaxed the date of filing of application up to 30.06.2024. Since, the assessee in present matter has filed its application on 29.10.2024, the major portion of delay out of 12 months has been covered by the Circular of CBDT, which was issued on 24.04.2024 but the Id. CIT(E) has not taken into consideration such directions of CBDT. The remaining delay of approx four months was due to misunderstanding of law by the person, who was looking after the taxation matters of the assessee-trust. It is argued that, the assessee trust should not be penalized for such reasons as there was no adverse comments by the Id. CIT(E) to find any violation or adversity in the objects, activities or on merits in the application of the assessee trust. It was the submission that the delay in filing of application in Form 10AB may please be condoned and the matter to be set-aside to the file of Id. CIT(A) for fresh consideration on merits. In support Ld AR, placed his reliance on the following decisions:

- a. ITA No. 2604/PUN/2024 in the case of Shri Ramtirth Godavari Seva Samiti vs. CIT(E) dated 05.01.2026,*

b. *ITA No. 5183/Mum/2012 Fatima Charitable Trust vs. CIT(E) dated 08.12.2025 and*

c. *ITA No. 2606/Mum/2025 Mata Chameladevi Educational and Charitable Trust vs. CIT(E) dated 06.06.2025*

4. Per contra, the ld. CIT-DR representing the revenue vehemently supported the orders of ld. CIT(E).

5. We have considered the rival submissions and perused the material available on record and case laws relied upon by the ld. AR. Admittedly in present case which falls during the period, when the CBDT was also observing that there is certain misunderstanding of law and difficulties faced by the assessee and stock holders in filing of Form 10A/10AB, therefore some relaxation has been allowed to them. Accordingly, the Circular No. 7/24 (supra) was issued and the date of filing of application are relaxed up to 30.06.2024. The decision relied upon by the ld. AR are *ITA No. 2604/PUN/2024 in the case of Shri Ramtirth Godavari Seva Samiti vs. CIT(E) dated 05.01.2026, ITA No. 5183/Mum/2012 Fatima Charitable Trust vs. CIT(E) dated 08.12.2025 and ITA No. 2606/Mum/2025 Mata Chameladevi Educational and Charitable Trust vs. CIT(E) dated 06.06.2025*, the respective benches of Tribunal has taken a view that, if the delay was caused due to unintentional mistake and there was no deliberate or intentional act of the assessee proved to be delaying the filing of prescribed forms, than in the interest of natural justice, the delay should be

condoned. Further, we take support from the settled principle of law as held by Hon'ble Apex Court in the case of *Jaiswal Vidya Shankar vs. ITO (SLP Nos. 26310 & 26311 of 2024)*, that while dealing with the issue of condonation of delay the authorities ought to adopt a justice-oriented and liberal approach.

6. In terms of aforesaid observations in the facts and circumstances of the present case, we are of the considered view that the delay in filing of Form 10AB in the present matter was due to unintentional reasons so deserves to be condoned and the application of assessee to be decided on merits, we thus condoned the delay in filing of Form 10AB by restoring the matter back to the file of Id. CIT(E) for fresh adjudication.

7. Needless to say, reasonable opportunity of being heard shall be provided to the assessee in the set-aside proceedings.

8. In result, the appeal of assessee stands **allowed**, in our aforesaid observations.

Order pronounced in the open court on 20-02-2026.

Sd/-
(SAKTIJIT DEY)
Vice-President
Mumbai, Dated : 20-02-2026.
**SK, Sr. PS*

Sd/-
(ARUN KHODPIA)
Accountant Member

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. DR, ITAT, Mumbai
4. Guard File
5. CIT

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai