INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCHES, MUMBAI
BENCH: J (SMC)

BEFORE HON'BLE NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
AND HON'BLE MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER

<table>
<tr><td colspan="3">ITA No.1278/MUM/2026
निर्धारण वर्ष/Assmt. Year: 2019-2020
Permanent Account Number: AABTP 4266 E</td></tr>
<tr><td>Pujya Sindhi Panchayat Trust
Vishrali Naka, Near Kanak Automobile Panvel, Maharashtra – 410206</td><td rowspan="2">Vs.</td><td>ITO, Exemption
Exemption Ward, Qureshi Mansion, Gokhale Road Thane, Maharashtra - 400602</td></tr>
<tr><td>(अपीलार्थी / Appellant)</td><td>(प्रत्यर्थी / Respondent)</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td>निर्धारिती द्वारा/Assessee represented by:</td><td colspan="2">Shri Hari Krishan Ld. A.R. (Virtually Appeared),</td></tr>
<tr><td>राजस्व द्वारा/Revenue represented by:</td><td colspan="2">Ms. Jayshree Thakur, Ld. D.R.</td></tr>
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सुनवाई की तारीख / Date of conclusion of hearing:	**23.07.2026**
घोषणा की तारीख / Date of pronouncement:	**29.07.2026**

आदेश / ORDER

PER: NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER:

This appeal has been preferred by the Assessee against the order dated 28.10.2025, impugned herein, passed by the National Faceless Appeal Centre(NFAC)/Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) u/s 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2019-20.

2. In the instant case, the Assessing Officer (in short, "the AO"), vide assessment order dated **24.09.2021** passed u/s. 143(3) r.w.s. 144B of the Act, made an addition of **Rs.4,28,647/-** by disallowing the deduction claimed by the Assessee u/s. 57 of the Act, mainly on the ground that the Assessee's application for registration u/s. 12A of the Act had been rejected by the competent authority.

3. Thus, the Assessee being aggrieved challenged the said addition by filing the first appeal before the Ld. Commissioner. During the pendency of the appellate proceedings, the Assessee was granted registration u/s. 12A of the Act, vide order dated **07.06.2023**, with effect from the date of its original application filed on **30.09.2020** and **applicable** from **A.Y. 2020-21 onwards**. However, the Ld. Commissioner, considering that the year under consideration is **A.Y. 2019-20**, for which registration u/s. 12A of the Act was not expressly available, dismissed the Assessee's appeal and affirmed the aforesaid addition.

4. Thus, the Assessee being aggrieved has preferred the instant appeal.

5. We have heard the parties, perused the material available on record and considered the rival submissions. The question that emerges for consideration is "whether the Assessee is entitled to the benefit of registration subsequently granted u/s. 12A of the Act during the pendency of the appeal before the Ld. Commissioner, though the assessment order had already been passed".

6. We observe that the Hon'ble Co-ordinate Bench of the Tribunal, in the case of ***Income Tax Officer v. United Education Society*** (ITA No.9303/Mum/2025, order dated 15.07.2026), has considered an identical issue. In the said case, the application for registration u/s. 12A of the Act was filed on **31.03.2016** and registration was subsequently granted on **08.09.2016** with effect from **A.Y. 2016-17** onwards. Thereafter, the Assessee filed its return of income for A.Y. 2015-16 on **23.09.2016** and also uploaded Form No.10B. However, the AO, vide assessment order dated **30.11.2017**, declined to allow the benefit of sections 11 and 12 of the Act, mainly on the ground that the registration was not applicable to the year under consideration.

7. The Hon'ble Co-ordinate Bench, considering the peculiar facts and circumstances of the case, the subsistence of the statutory period for filing the return on the date of registration and the first proviso to section 12A(2) of the Act, held that the benefit of sections 11 and 12 could be extended to an earlier assessment year, where the assessment proceedings for such year were pending and the objects and activities of the Assessee remained unchanged. The relevant observations are reproduced as under:

"9. We have heard the parties and considered the rival submissions and perused the material available on record.

10. The following material dates are not in dispute:

Particulars	***Date***
Application for registration under section 12A	*31.03.2016*
Registration granted under section 12|AA	*08.09.2016*
Return of income for A.Y. 2015-16 filed	*23.09.2016*
Form No. 10B uploaded electronically	*01.07.2017*
Assessment order under section 143(3)	*30.11.2017*

Particulars Date Application for registration under section 12A 31.03.2016 Registration granted under section 12AA 08.09.2016 Return of income for A.Y. 2015-16 filed 23.09.2016 Form No. 10B uploaded electronically 01.07.2017 Assessment order under section 143(3) 30.11.2017

11. The first proviso to section 12A(2), as applicable to the year under consideration, extended the benefit of sections 11 and 12 to an earlier assessment year, where the assessment proceedings for such year were pending before the Assessing Officer on the date of registration and the objects and activities remained the same. The proviso was inserted to mitigate genuine hardship and, therefore, though its conditions cannot be ignored, however, the same are required to be applied in a manner which advances the object of the provision.
12. For Assessment Year 2015-16, section 139(4), as it then stood, permitted the return to be furnished before the expiry of one year from the end of the relevant assessment year or before completion of assessment, whichever was earlier. Consequently, the statutory period for filing the return remained open up to 31.03.2017. Registration was granted on 08.09.2016 and the Assessee filed the return on 23.09.2016, merely fifteen days thereafter and well within the subsisting statutory period.

13. We find that the Bangalore Bench of the Tribunal in Shri Hingulambika Education Society v. ITO (Exemptions), ITA No. ITA 9303/Mum/2025; United Education Society 5 1126/Bang/2022, order dated 22.06.2023, considered a directly comparable situation and held that where the time for filing the return was still available on the date of registration and the return was thereafter filed within such period, the benefit of sections 11 and 12 could not be denied for the preceding year.

14. In the instant case, the statutory period for filing the return was subsisting on the date of registration and the return was filed within such period. It is also not the Revenue's case that the objects and activities of the Assessee had changed. On the contrary, the record shows continuity of the same educational activities. Thus, considering the peculiar facts and circumstances in totality, we are of the considered view that the Ld. Commissioner correctly extended the benefit of sections 11 and 12 to the year under consideration."

8. We further observe that the Hon'ble Co-ordinate Bench of the Tribunal, in the case of ***Krishnabai Ghat Trust v. ITO (Exemptions), ITA No.44/PUN/2019***, has also dealt with an identical issue, wherein registration u/s. 12A of the Act was granted on **28.09.2017** during the pendency of the appeal before the Ld. Commissioner against the assessment order dated **15.12.2016** passed u/s. 143(3) of the Act.

9. The Hon'ble Bench, while analysing the issue considered the judgment of the Hon'ble Rajasthan High Court in ***CIT (Exemptions) v. Shri Ram Mandir Committee*** [(2018) 400 ITR 466 (Raj.)], wherein it has been held as under:

> *"An assessment proceeding which is pending in appeal before the appellate authority should be deemed to be 'assessment proceedings pending before the AO' within the meaning of term as envisaged under the proviso. It follows there from that the Assessee which obtained registration u/s. 12AA of the Act during the pendency of the appeal, was entitled for exemption claimed u/s. 11 of the Act ultimately, held that the Assessee would be entitled to exemption u/s. 11 and 12 of the Act for the year under consideration on the* ***Raison D'etre*** *that the registration, was in fact, granted to the Assessee u/s. 12AA during the pendency of proceedings before the ld. CIT (A) and thus, directed the AO to frame a de novo assessment.*

10. The Hon'ble Bench thus following said judgement, ultimately held that the Assessee was entitled to the benefit of sections 11 and 12 of the Act for the year under consideration, since registration was granted during the pendency of the proceedings before the Ld. Commissioner, and accordingly directed the AO to frame the assessment afresh.

11. Thus, considering the peculiar facts and circumstances in totality and following the aforesaid judicial precedents, the impugned order is set aside and the case is accordingly remanded to the file of the **Jurisdictional AO** to verify the Assessee's claim and grant the benefit of exemption under sections 11 and 12 of the Act, in accordance with law and by taking into consideration the registration granted to the Assessee during the pendency of the appellate proceedings before the Ld. Commissioner as applicable to the year under consideration as well. Suffice it to say that a reasonable opportunity of being heard shall be afforded to the Assessee.

12. In the result, **Assessee's appeal is allowed**.

Order pronounced in the open court on 29.07.2026.

Sd/-	Sd/-
MAKARAND VASANT MAHADEOKAR	**NARENDER KUMAR CHOUDHRY**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

(Tarun Kushwaha)
Sr. Private Secretary

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.