IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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CWP-31953-2025
Date of Decision: 31.10.2025

DR BHIM RAO AMBEDKAR EDUCATION SOCIETY
..... Petitioner(s)

Versus

COMMISSIONER OF INCOME TAX (EXEMPTIONS) CHANDIGARH ....Respondent(s)

CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI

Present:- Mr. Nikhil Goyal, Advocate, for the petitioner.

Ms. Pridhi Sandhu, Advocate for the respondent.

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DEEPAK SIBAL, J. (Oral)

1. Through the instant petition, the petitioner challenges order dated 18.06.2025 passed by Commissioner of Income Tax (Exemptions) Chandigarh, (for short, 'CIT'), dismissing the petitioner's application, filed under Section 119(2)(b) of the Income Tax Act, 1961 (for short, 'the 1961 Act'), through which application, the petitioner had sought condonation of delay of 94 days in the filing of Form 10B for the Assessment Year 2022-2023.

2. The petitioner is a charitable society registered under Section 12AA of the 1961 Act. For the Assessment Year 2022-2023, the petitioner was required to file its audit report by 07.10.2022. On 26.09.2022, the petitioner's Chartered Accountant uploaded the audit report on the e-filing

portal of the respondent but such report was formally acknowledged by the petitioner only on 09.01.2023.

3. Since the petitioner had not acknowledged its audit report before the last date fixed to do the needful i.e. 07.11.2022, the exemptions claimed by the petitioner as a charitable society under Section 11 of the 1961 Act were denied resulting in the raising of a demand from the petitioner through demand order dated 31.03.2023. Realising that on account of its late acknowledgement by 94 days the petitioner's audit report had been ignored by the respondent-department, the petitioner filed an application under Section 119(2)(b) of the 1961 Act with the respondent-authorities seeking therein condonation of delay of 94 days in the filing of its audit report in Form 10B. Through the impugned order dated 18.06.2025, the petitioner's prayer for condonation of delay of 94 days has been declined primarily on the ground that the petitioner was habitual in the late filing of its returns and that it also could not make out a case of genuine hardship, which was essentially to be shown for condonation of delay in the filing of Form 10B.

4. Learned counsel for the parties have been heard and with their able assistance the record of the case has also been perused.

5. Section 119(2)(b) of the Act is reproduced below for ready reference:-

> *"(2) Without prejudice to the generality of the following power,-*
> *(b) the Board may, if it considers it desirable or expedient so to do* ***for avoiding genuine hardship*** *in any case or class of cases, by general or special order, authorize any income-tax*

authority, not being [a Joint Commissioner (Appeals) or] a Commissioner (Appeals) to admit an application or claim for any exemption, deduction, refund or any other relief under this Act after the expiry of the period specified by or under this Act for making such application or claim and deal with the same on merits in accordance with law.”

6. In view of the power under Section 119(2)(b) of the Act, the Central Board of Direct Taxes, New Delhi issued Circular No.16/2024 dated 18.11.2024, as per which the CIT can condone the delay upto 365 days in the filing of Form 10B but only if the assessee is able to convince the CIT that if the delay is not condoned, he would face genuine hardship.

7. It is not disputed that the petitioner had filed its income tax return for the assessment year in question well in time. It is also the admitted position that the petitioner’s audit report, in the prescribed form, had been uploaded by the petitioner’s Chartered Accountant on the respondent’s e-portal on 26.09.2022 which was well before the last date to file such report. The record further reveals that there was a delay of only 94 days in the acknowledgment by the petitioner of the already filed audit report. It can also hardly be disputed that if the petitioner’s audit report is ignored the same would greatly prejudice the petitioner’s financial interests because the exemptions claimed by it would not be considered.

8. The delay of 94 days in acknowledgement of its already filed audit report is sought to be explained by the petitioner by submitting that the petitioner *bona fide* believed that the audit report filed within time by its Chartered Accountant was enough compliance for the petitioner to claim exemptions under Section 11 of the 1961 Act and that its formal

acknowledgment by the petitioner was only directory. It is further submitted that by delayed filing of its complete income tax returns, the petitioner gains nothing. Rather such delay can result in imposition of penalty or interest or both on the petitioner. Such explanation on the petitioner's behalf is found to be plausible.

9. In the light of the above, we are of the opinion that the delay of 94 days in the filing of Form 10B by the petitioner should have been condoned and it is so ordered. Resultantly, the impugned order dated 18.06.2025 (Annexure P-15) is set aside with a direction to the respondent-authorities to allow the petitioner to validly file Form 10B for the Assessment Year 2022-23 and then process its return under Section 143(1) of the 1961 Act, in accordance with law.

10. The petition is allowed in the above terms.

[DEEPAK SIBAL]
JUDGE

[LAPITA BANERJI]
JUDGE

31.10.2025
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Whether speaking/reasoned: *Yes/No*
Whether reportable: *Yes/No*