IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.03.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.25731 of 2025
and
W.M.P.No.28923 of 2025

ISA Children's Home Trust,
Represented by its Managing Trustee
Edwin Isaac … Petitioner

Vs.

Commissioner of Income Tax (Exemptions),
Aayakar Bhawan,
Annexe III Floor,
No.121, Mahatma Gandhi Road,
Nungambakkam,
Chennai – 600 034. … Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the Impugned Order bearing DIN & Order No.ITBA/COM/F/17/2024-25/1071558430(1) and dated 25.12.2024 passed by the Respondent, and quash the same and to consequently condone the Petitioner's delay of 10 days in filing Form 10B for Assessment Year 2023-24.

For Petitioner : Mr.Pavan Kumar Gandhi

For Respondent : Mr.V.J.Arul Raj
Senior Standing Counsel
and Ms.Anu Ganesan
Junior Standing Counsel

ORDER

The Petitioner is before this Court against the Order dated 25.12.2024 passed by the Respondent Commissioner of Income Tax (Exemptions) whereby the Petitioner's application for condonation of delay in filing Form 10B dated 15.03.2024 has been rejected for the Assessment Year 2023-2024. Operative portion of the impugned Order reads as under:-

> "6. Decision: I have carefully examined the facts of the case and the submissions of the assessee. Further, the CBDT vide Circular No.2/2020, dated 03-01-2020 in para 5 & 6 has directed as under:
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> > "it has also been decided by the CBDT that where there is delay of upto 365 days in filing Form No.10B for the Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income Tax are hereby authorized to admit such belated applications of condonation of delay u/s 119(2) of the IT Act and decide on merits. The Commissioner of Income Tax shall, while entertaining such belated applications in filing Form No.10B, satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time."
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> 6.1. It is important to note that the applicant must prove that there exists reasonable cause which prevented them from filing of Form 10B within the stipulated time. The reason for the delay submitted by

the assessee was that due to the managing trustee was unavailable and could not coordinate with the accounting staff and unable to produce books of account for auditing. Further it was stated that trustees were preoccupied with the visit of the foreign donors. This contention of the assessee cannot be accepted, when the assessee was able to file the Return of Income within the due date u/s 139(4A) on 10.11.2023 which was prepared after finalization of books of accounts, it is not known what prevented the assessee from filing Form 10B within the due date. If the assessee's managing trustee had not been in a position to file the Form 10B for the Assessment Year 2022-23, the same would have prevented him from filing the return for the impugned assessment year.

6.2. Further, it is seen that the assessee has sought for condonation of the delay in filing Form 10B for the original Form 10B which was filed on 10.11.2023. But it is seen that the assessee has filed revised Form 10B on 08.01.2024 for which it has not given any reason / explanation. The assessee has claimed that its main source of income is from foreign donors, which means it is expected to be more vigilant in adhering to the statutory timelines.

6.3. The reasons stated by the assessee are not cogent and the assessee has not established any reasonable cause for the delay in filing Revised Form 10B for the Assessment Year 2023-24. The statutory compliances has to be duly complied with and the assessee should have ensured that adequate steps are taken, so that the law is complied with well within time. The same had to be looked after or adequately managed by the management of the Trust or Chartered Accountants who has been made responsible for statutory compliances.

> 6.4. The assessee in its petition relied on the case law CIT Vs. Hardoedas Agarwalla in which it was held that filing of audit report along with return is not mandatory but is directory. In this connection, it is relevant to note that the Apex Court recently in the case of Wipro Ltd held that the requirement of filing a declaration within a timeline is "mandatory" in nature as per the language of the provision. It reiterated the age-old principle that a taxing statute should be read as it is and held that the exemption / deduction provisions should be "strictly" and "literally" complied with and, therefore, a strict interpretation should be adopted. This principle is applicable in the assessee's case for filing of Form 10B.
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> 7. In view of the facts and circumstances cited above, it is very clear that the assessee has not put forward any reasonable cause beyond its control which prevented the assessee from filing Form 10B on the due date specified in the Act. Hence, the applicant's petition filed on 15.03.2024 seeking condonation of delay under Section 119(2)(b) in filing Form 10B for the Assessment Year 2023-24 is hereby rejected."

2. The Petitioner was required to file Tax Audit Report in Form 10B as per Section 12A of the Income Tax Act, 1961 within 30 days prior to the filing of Return of Income. The last date for filing Return of Income under Section 139(4A) of the Income Tax Act, 1961 expired on 30.11.2023 for the Assessment Year 2023-2024.

3. In this case, the Petitioner filed the Return of Income on 10.11.2023 i.e., before the cut-off date. However, the Petitioner had failed to file Tax Audit Report in Form 10B within the stipulated time and filed it belatedly along with Return of Income.

4. It is in this background, the Petitioner has filed an application on 15.03.2024 before the Respondent for condonation of delay, which has been rejected by the Respondent vide impugned Order.

5. The facts on record as also the impugned Order reveal that the Petitioner has filed the revised Tax Audit Report in Form 10B subsequently on 08.11.2024. This has been considered by the Respondent while rejecting the application filed for condonation of delay in filing Form 10B by the impugned Order under Section 119(2)(b) of the Income Tax Act, 1961.

6. It is noticed that the Respondent has relied on **Circular No.2 of 2020** dated **03.01.2020** wherein in Paragraph Nos.5 and 6, it has been directed as under:-

> "it has also been decided by the CBDT that where there is delay of upto 365 days in filing Form No.10B for the Assessment Year 2018-19 or

> for any subsequent Assessment Years, the Commissioners of Income Tax are hereby authorized to admit such belated applications of condonation of delay under Section 119(2) of the IT Act and decide on merits. The Commissioner of Income Tax shall, while entertaining such belated applications in filing Form No.10B, satisfy themselves that the assessee was prevented by reasonable cause from filing such application within the stipulated time."

7. In Paragraph No.16 of the Affidavit, the reasons for the delay in filing Form 10B as is required under Section 12A of the Income Tax Act, 1961 are as under:-

> "16. Thereafter, vide email 23.03.2024, the Respondent *inter-alia* sought reasons for the delay in filing Form 10B. The Petitioner vide reply email dated 27.03.2024 *inter-alia* submitted that during the months of September and October 2023, the trustees were preoccupied with preparations for the visit of their foreign donors to the children's home managed by the Petitioner Trust. Therefore, the Managing Trustee of the Petitioner, who handles all financial matters of the Trust, was unavailable to coordinate with the accounting staff, and could not give the books of accounts for audit to its statutory auditors before the due date. Pertinently, the Petitioner Trust also enclosed supporting documents in its reply email dated 27.03.2024, so as to evidence the visit of the foreign donors."

8. The Petitioner Trust is engaged in running home for children and destitute in Alanganallur Post, Vadipatty Taluk, Madurai District. The activity of the Petitioner Trust is purely charitable in nature and the reasons for the delay that has been explained in Paragraph No.16 of the affidavit appears to be reasonable.

9. Considering the consistent view taken by this Court under similar circumstances, is to condone the delay by quashing the order rejecting the application for condonation of delay, the impugned Order is quashed with a consequential direction to the Assessing Officer to redo the exercise under Section 143 of the Income Tax Act, 1961 by extending the benefit of exemption under Section 11 of the Income Tax Act, 1961 to the Petitioner, if the Petitioner is otherwise eligible for the same.

10. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

02.03.2026

Neutral Citation : Yes / No

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To:

Commissioner of Income Tax (Exemptions),
Aayakar Bhawan,
Annexe III Floor,
No.121, Mahatma Gandhi Road,
Nungambakkam,
Chennai – 600 034.

C.SARAVANAN, J.

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