

Extension for Charitable Trusts for Filing of Form No. 10A/10AB under the Income Tax Act, 1961

The CBDT has recently issued a [circular](#), providing an extension of time limit to apply for registration. The same is summarized below -

As per the amended provisions of Income Tax Act, charitable institutions are required to file application for registration in Form No. 10A and for renewal of its final registration or conversion of provisional registration to final registration in Form No. 10AB, as per the timelines mentioned below –

Category	Original time-limit for Application
Application for re-registration of trusts already registered under old registration regime under section 12A / 10(23C) / 80G as on 1 st April 2021	Within 3 months from the first day of April, 2021
Renewal of final registration granted to existing trusts after 1 st April 2021 under section 12AB / 10(23C) / 80G	At least 6 months before the expiry of period for which original registration is granted
Trust provisionally registered under section 12AB / 10(23C) / 80G applying for final registration	At least 6 months before the expiry of period for which provisional registration is granted; <u>or</u> Within 6 months of commencement of activities of the trust, whichever is earlier

Last extended due date for application in all the above categories was **30th September 2023**.

The new registration regime is complex due to the applicability of different forms and various time-limits for application under each scenario. Therefore, many charitable institutions have inadvertently failed to apply for re-registration/renewal applications in Form No. 10A/10AB within the specified time mentioned above. In cases of delayed applications, the Principal Commissioner or Commissioner of Income Tax (**PCIT / CIT**) has been rejecting the applications filed in Form No. 10A/10AB on the ground that there is a delay and there is no provision for condonation of delay.

On consideration of difficulties reported by the taxpayers and other stakeholders, the Central Board of Direct Taxes (**CBDT**) has extended the due date of making an application/intimation electronically in Form No. 10A/10AB up to **30th June 2024**.

Further, CBDT has clarified that in cases where any trust/institution/fund –

Scenario	Course of Action
Failed to furnish Form 10A / 10AB within the prescribed due date	File the requisite form on or before 30 th June 2024
Filed an application in Form 10AB before the issuance of this Circular and order not yet passed by PCIT/CIT	Pending application will be treated as a valid application

Scenario	Course of Action
Filed delayed application in Form 10AB and order has been passed by PCIT/CIT rejecting the application	Furnish a fresh application in Form 10AB on or before 30 th June 2024
Failed to file Form 10A for AY 2022-23 up to 30 th September 2023 and had subsequently applied for a provisional registration and had received Form 10AC	Option to surrender the provisional registration in Form 10AC and apply for final registration in Form 10A on or before 30 th June 2024

CNK Comment

If a trust fails to apply for renewal of final registration or for conversion of provisional registration to final registration, within the specified time, it is deemed to be converted into a form not eligible for registration under section 12AB or 10(23C) of the Act. Therefore, tax on accreted income at maximum marginal rate is liable to be paid in such cases. By extending the due date to furnish Form 10A and 10AB, CBDT has provided relief to many charitable trusts from such severe consequences.

However, considering the complexities of new registration provisions applicable to charitable trusts and harsh consequences of even a procedural mistake, a provision for powers to condone the delay in genuine cases by the PCIT / CIT is necessary. This would help in avoiding such continued extension of statutory limits.

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