

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH “E”, MUMBAI
BEFORE SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER
AND
SHRI RAJ KUMAR CHAUHAN, JUDICIAL MEMBER**

ITA NO. 1732/MUM/2025 (A.Y-N.A.)

K P K Foundation

603/604 Jay Apartments,
Jawaharlal Nehru Marg, Santacruz
East, Maharashtra – 400 055

PAN. AAATK4044L

(Appellant)

Vs. CIT (Exemption)

601, 6th floor, Cumballa Hill
MTNL Building Peddar Road,
Maharashtra – 400 026

(Respondent)

Assessee Represented by	:	None
Department Represented by	:	Shri Ritesh Misra (CIT- DR)
Date of conclusion of Hearing	:	05.05.2025
Date of Pronouncement	:	14.05.2025

ORDER

PER RAJ KUMAR CHAUHAN (J.M.):

1. This appeal is filed by the appellant/assessee against the order dated 30.12.2024 of Learned Commissioner of Income Tax (Exemption), Mumbai [hereinafter referred to as the “CIT(E)”], wherein the Ld. CIT(E) has rejected application for seeking registration/approval u/s



12AB of the Act due to insufficient documents and necessary compliance was not done by the assessee.

2. The brief facts of the case are that, assessee is Trust carrying on simple activity of helping poor and needy people for Educational and Medical help and it is registered under 12A of the Act under registration no. TR/36299 dated 24.06.2002 for nearly 20 years. As per requirement of law, he has filed form 10AB u/s 12(1)(ac)(iii) seeking registration u/s 12AB of the Act. On verification of the application in Form 10AB filed by the applicant / assessee, Ld. CIT(E) found that the application was not complete and all the documents required to be accompanying the application were not furnished and hence notice was issued on 21.10.2024 requesting the assessee to file the necessary documents mentioned in Rule 11AA(2). The assessee trust has made online submission on 29.11.2024 and after going through the submission made by the assessee, Ld. CIT(E) further issued notice on 11.12.2024. In response vide letter dated 23.12.2024, the assessee submitted that all the details requested have been provided. Ld. CIT(E) was of the view that no documentary proof of activities was provided by the assessee to



substantiate the claim of assessee, hence Ld. CIT(E) rejected the application seeking registration u/s 12AB of the Act.

3. Aggrieved by the order of Ld. CIT(E), Assessee preferred the present appeal before us and has raised the following grounds of appeal:-

1. The learned Commissioner of Income Tax (Exemptions), Mumbai, erred in rejecting the application of the assessee trust based on mere surmises and conjectures, without considering the material facts on record.

2. The CIT (Exemptions) failed to appreciate that the assessee trust is engaged solely in charitable activities, specifically aiding the poor and needy by providing education and medical grants.

3. The CIT (Exemptions) disregarded the fact that the assessee trust had duly submitted audited financial statements for the last three years which mentions the details of expenses incurred for charitable purposes.

4. The CIT (Exemptions) did not consider the statement of the Hon'ble Finance Minister in the Lok Sabha while presenting the Budget for FY 2025-26, wherein it was clarified that small trusts should be granted appropriate exemptions.

The assessee craves leave to add, alter, amend, delete any of the above grounds of appeal.



4. We have heard Ld. DR and no one appeared on behalf of the assessee. Ld. DR has left it to the Tribunal to remit the matter back to the file of Ld. CIT(A) with a direction to give one more opportunity to the assessee for making compliance and adjudicate the matter afresh on merit.

5. We have considered the submission of Ld. DR and examined the record. It is a settled law that the quasi judicial authorities which include the revenue authorities are bound to abide the principal of natural justice and it is mandatory to give sufficient opportunity to the assessee of being heard before deciding the matter. It is evident from the above facts and circumstances that the show cause notice was issued on 11.12.2024 and in response the assessee submitted the required details on 23.12.2024, but the Ld. CIT(E) was of the view that no documentary proof of activities was provided by the assessee to substantiate the claim of assessee, hence Ld. CIT(E) rejected the application seeking registration u/s 12AB of the Act on 30.12.2024. While rejecting the application, the Ld. CIT(A) observed *“In view of the statutory limitation to decide the application on or before 31.12.2024, the undersigned is left with no other option, but to reject the application*” This fact shows that the assessee has not been given sufficient opportunity of hearing which has



resulted into miscarriage of justice, therefore impugned order passed by the Ld. CIT(E) is not legally sustainable in the eyes of law.

6. For these reasons, we set aside the impugned order passed by Ld. CIT(E) and restore the matter to the file of Ld. CIT(E) for fresh adjudication of the case of assessee for grant of approval 12AB of the Act after giving proper opportunity of effective hearing to the assessee. The appellant/assessee shall present its case before the Ld. CIT(E) within 90 days of this order. The impugned order is accordingly set aside and appeal filed by the assessee is allowed in above terms.
7. In the result, the appeal filed by the assessee is **allowed for statistical purposes.**

Order pronounced in the open court on 14.05.2025

Sd/-
(VIKRAM SINGH YADAV)
(ACCOUNTANT MEMBER)

Sd/-
(RAJ KUMAR CHAUHAN)
(JUDICIAL MEMBER)

Mumbai / Dated 14.05.2025
Dhananjay (Sr. PS)



ITA No. 1732/Mum/2025
K P K Foundation

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.
//True Copy//

BY ORDER

(Asstt. Registrar)
ITAT, Mumbai