

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**"D" BENCH, MUMBAI**  
**BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER&**  
**MS. PADMAVATHY S, ACCOUNTANT MEMBER**  
**ITA Nos. 3259 & 3258/MUM/2025 (AY: 2025-26)**  
*(Physical hearing)*

Dream And Believe Foundation Plot No. 2, Flat A-3102, Sector 11, Sanpada, Thane, Maharashtra-400705. [PAN: AAHCD4252D]	Vs	CIT(Exemptions), Mumbai
Appellant / Assessee		Respondent / Revenue

Assessee by	Sh. Ganesh Kevat, CA
Revenue by	Sh. Umashankar Prasad, CIT-DR
Date of hearing	07.07.2025
Date of pronouncement	07.07.2025

**Order under section 254(1) of Income Tax Act**

**PER PAWAN SINGH, JUDICIAL MEMBER;**

1. These two appeals by assessee-trust is filed against the separate orders of Id. CIT(E) in rejecting application for registration of assessee trust under section 12A/12AB as well as for approval of fund under section 80G of Income Tax Act. Facts in both the years are common, thus, both the appeals were clubbed, heard together and are decided by common order for the sake of gravity. For appreciation of fact, facts in ITA No. 3259/M/2025 which is against the rejection of application under section 12A/12AB is treated as lead case. The assessee has raised following grounds of appeal:

*"1. That the Ld. CIT (Exemptions), erred in law and on facts by rejecting the application in Form 10AB dated 26/09/2024 solely on the presumption that the application was filed under an incorrect clause, despite the availability of all supporting documents and proof of genuine charitable activities.*

*2. That the appellant had already been granted valid registration under Section 12A vide order dated 18/11/2020 under the pre-amendment provisions, and accordingly, the correct clause applicable for final registration under the new*

*regime was Section 12A(1)(ac)(ii). The filing of Form 10AB under Section 12A(1)(ac)(ii) was therefore legally proper and in conformity with the transitional framework notified via Notification No. 19/2021 dated 26/03/2021. The Ld. CIT (Exemptions) erred in rejecting the application based on an incorrect presumption that the appellant had only provisional registration, thereby misinterpreting the factual and legal status of the institution.*

*3. That the rejection order dated 10/03/2025 violates the principles of natural justice, as the appellant was not given an opportunity to clarify the basis for applying under Section 12A(1)(ac) (ii) nor was the case adjudicated on merits, despite submission of all relevant evidences in response to the notice dated 15/01/2025.*

*4. That the Ld. CIT (Exemptions) erred in not exercising the inherent powers of rectification or directing re-submission under clarification, thereby causing undue hardship to a bona fide charitable institution compliant under law.*

*5. That the appellant is entitled to the benefits of final registration under Section 12AB, having satisfactorily complied with the legal requirements and furnished credible evidence of charitable activities, audited accounts, and objective compliance.*

*6. That the order of rejection is untenable in law and deserves to be quashed with a direction to grant registration under Section 12AB or permit reconsideration of the filed Form 10AB.*

*7. The appellant craves leave to amend, modify, or raise additional grounds at the time of hearing.*

2. Rival submissions of both the parties have been heard and record perused.

The learned Authorised Representative (Id. AR) of the assessee submits that assessee trust is a charitable company registered under section 8 of Companies Act-2013. The assessee was incorporated on 13.09.2019. The assessee was allowed provisional registration under section 12A and provisional approval under section 80G on 18.11.2020 and 29.01.2021 respectively. The registration under section 12A and approval under section 80G were allowed under pre amended provisions of respective sections. Consequent upon amendment introduced vide Finance Act, 2020, all existing

charitable institutions were mandated to migrate to new registration provision by filing Form 10A. In compliance, the assessee filed Form 10A on 06.06.2022 under section 12(1)(ac)(vi) and was accordingly allowed provisional registration in Form 10AC vide order dated 22.06.2022 upto A.Y. 2025-26. Subsequently, on 01.10.2022, the assessee by mistake in understanding the compliance, prematurely applied for regular registration under section 12AB and filed application in Form 10AB, which was rejected vide order dated 27.04.2023. The assessee again filed application got registration under section 12AB in Form 10AB on 26.09.2024. Along with application, the assessee filed all requisite information and details including trust deed to show the object and details of activities carried out by the assessee. However, the application for registration under section 12AB was rejected by Id. CIT(E) on 10.03.2025 on the ground that assessee selected section 12A(1)(ac)(ii) which is applicable only to trust seeking renewal after five (5) years of registration. The Id. CIT(E) failed to appreciate that assessee was earlier granted registration in old regime vide order dated 18.11.2020, thus, the assessee correctly filled up application under section 12A(1)(ac)(ii). The Id. AR of the assessee submits that he furnished complete details of object and activities of the assessee and fulfil the requirement for obtaining registration under section 12AB. Thus, the appeal of assessee may be allowed. In alternative submission, the Id. AR of the assessee submits that since application of assessee was rejected on technical reasons, therefore, the Id. CIT(E) may be directed to consider the assessee as old trust and to

consider the application of assessee on merit and to pass order in accordance with law.

3. So far as grounds of appeal in ITA No. 3258/M/2025 is concerned, same relates to rejection of approval of fund under section 80G(5), once the Id. CIT(E) rejected the application for registration under section 12AB, the application under section 80G(5) was also rejected. The Id. AR of the assessee submits that for obtaining approval of fund under section 80G(5), registration under section 12AB is a pre-condition, thus, either the Id. CIT(E) be directed to allow the application of assessee or in case the matter in registration under section 12AB is restored to Id. CIT(E), this appeal may also be restored to him to reconsider after decision in registration under section 12AB.
4. On the other hand, learned Commissioner of Income Tax / Departmental Representative (Id. CIT-DR) for the revenue supported the order of Id. CIT(E).
5. We have considered the rival submissions of both the parties and have gone through the orders of Id. CIT(E) carefully. We find that application for registration under section 12AB was rejected on the ground that assessee filed application under section 12A(1)(ac)(ii) which is applicable only for trust having regular registration for 5 years and seeking reliever of regular registration which is due to expire. The application of assessee is not considered on merit. Considering the fact that assessee is an old trust and even otherwise their provisional registration granted under section 12A/12AB is likely to expire, therefore, the matter is restored back to the file of Id.

CIT(E) to reconsider the matter, examined the object and activities of the assessee and to pass the order in accordance with law. Needless to direct that before passing the order the Id CIT(E) shall allow opportunity of hearing to the assessee. The assessee is also directed to provide required details to Id CIT(E). In the result, grounds of appeal are allowed for statistical purpose.

6. In the result, the appeal of the assessee in ITA No. 3259/M/2025 is allowed for statistical purpose.

**ITA No. 3258/M/2025 for approval under section 80G(5)**

7. Considering the fact that we have restored the application for registration under section 12AB to the Id. CIT(A), therefore, this appeal is also restored back to the file of Id. CIT(E) to pass the order afresh after deciding the application for registration under section 12AB. In the result, grounds of appeal raised in this appeal is allowed for statistical purpose.
8. In the result, both the appeals of the assessee are allowed for statistical purpose.

Order was pronounced in the open Court on 07/07/2025.

**Sd/-**

**PADMAVATHY S  
ACCOUNTANT MEMBER**

**Sd/-**

**PAWAN SINGH  
JUDICIAL MEMBER**

MUMBAI, Dated:07/07/2025  
*Biswajit*

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Mumbai; and
- (5) Guard file.

By Order

Assistant Registrar  
ITAT, Mumbai