

| आयकर अपीलीय अधिकरण न्यायापीठ, मुंबई |  
IN THE INCOME TAX APPELLATE TRIBUNAL  
"B" BENCH, MUMBAI

BEFORE SHRI NARENDRA KUMAR BILLAIYA, HON'BLE ACCOUNTANT MEMBER  
&

SHRI SANDEEP SINGH KARHAIL, HON'BLE JUDICIAL MEMBER

**I.T.A. No. 3581/Mum/2025**

**Assessment Year: 2016-17**

<b>ACIT - 17(1)</b>	Vs	<b>Nawazbhai Ratan Tata Trust</b> 27 <sup>th</sup> Floor, World Trade Centre Centre - I, Cuffee Parade Mumbai - 400005 <b>[PAN: AAFFA5803L]</b>
अपीलकर्ता / (Appellant)		प्रत्यर्था / (Respondent)

Assessee by :	Shri Sukhsagar Syal, A/R
Revenue by :	Shri Satyaprakash R. Singh, CIT D/R

सुनवाई की तारीख / Date of Hearing : 09/09/2025

घोषणा की तारीख / Date of Pronouncement : 11/09/2025

आदेश / ORDER

**PER NARENDRA KUMAR BILLAIYA, AM:**

This appeal by the revenue is preferred against the order dated 07/03/2025 by NFAC, Delhi {hereinafter "the ld. CIT(A)"} pertaining to AY 2016-17.

2. The grievance of the revenue reads as under:-

"1. Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(A) was justified in deleting the addition made by the Assessing Officer on account of dividend income ignoring the fact that dividend income was claimed exempt u/s 10(34)/10(35) of the Act despite the fact that the assessee's registration u/s 12A was in force during the previous year relevant to A. Y 2016-17 and thus contravene the provisions of section 11(7) of the Act ?"

2. "Whether, on the facts and in the circumstances of the case, the Ld. CIT(A) is erred in allowing deduction u/s 80GGA, ignoring the fact that the assessee had not claimed such deduction in the return of income and the claim was raised for the first time during appellate proceedings. No revised return was filed and hence such a claim is not admissible under the law.

3. "Whether, on the facts and in the circumstances of the case, the Ld. CIT(A) is erred in directing the AO to allow deduction u/s 80G beyond the statutory limit prescribed under Section 80G(4) of the Act. As per Section 80G(4), the aggregate deduction cannot exceed 10% of Gross Total Income, and the restriction made by the AO was in accordance with law"

4. *Whether on the facts and in the circumstances of the case and in law, the Ld.CIT(A) was justified in deleting the addition made by the Assessing Officer on account of dividend income ignoring the fact that mere surrender of registration u/s 12A of the Act, suo-moto, does not entitle the assessee to be out of registration u/s 12AA of the Act granted in perpetuity, unless it is withdrawn by the competent authority?"*

5. *"The appellant craves the leave to add, substitute, modify, alter, delete or amend all or any ground of appeal either before or at the time of hearing."*

3. Representative of both the sides were heard at length. Case records carefully perused.

4. Insofar as the issues raised vide Ground No. 1 are concerned, on identical set of facts, the Co-ordinate Bench in ITA No. 2057 & 2058/Mum/2025; *Jamsetji Tata Trust* had considered a similar grievance. The facts are *mutatis mutandis* the same. On finding parity of facts, we draw support from the following observations of the Co-ordinate Bench (*supra*):-

"8. Before us, the ld. D/R placed strong reliance on the assessment order and the ld. Counsel for the assessee reiterated what has been stated before the lower authorities and drew our attention to the order of the Co-ordinate Bench in the case of *Jamsetji Tata Trust* in ITA No. 7239/Mum/2019, wherein the Co-ordinate Bench drawing support from the decision of the Mumbai Bench in the case of *Navajbai Ratan Tata Trust vs. PCIT* in ITA No. 7238/Mum/2019, wherein the Co-ordinate Bench held as under:-

"Our conclusions:

68. In view of the above discussions, as also bearing in mind the entirety of the case, we are of the considered view that the impugned order of cancellation of registration granted to the assessee under section 12A must be held to be effective from the date on which the hearing on first show-cause notice was concluded and the show cause notice issued by the Commissioner was formally acquiesced by the assessee in the said hearing, i.e., 20' March 2015, since, without disposing of the said matter, the Commissioner, or his successors, could not have started other parallel proceedings for cancellation of registration obtained under section 12A. The registration having been "obtained" under section 12A was in the nature of a benefit to the assessee, and it was, therefore, entirely at the option of the assessee. In our considered view, an assessee unwilling to avail the "benefit" of registration "obtained" under section 12A cannot be, directly or indirectly and by actions or by inactions, compelled by the revenue authorities, to continue with the said registration "obtained" by the assessee, particularly when it pertained to the registration obtained in a period prior to the insertion of section 12AA. The present cancellation of registration under section 12A must, therefore, be held

*to be effective from 20th March 2015. To this limited extent, we uphold the plea of the assessee.*

69. *We have noted that many other peripheral issues, with regard to the conduct of the assessee trust and compliance with the statutory provisions under section 11 to 13, are raised in the course of the impugned proceedings. In our humble understanding, there is no need to deal with these aspects so far as our adjudication, on the core issue requiring our adjudication in this appeal, is concerned. All these issues so raised by the revenue authorities are left open for adjudication at the appropriate stage such as in the assessment, or any other related, proceedings, if and so necessary. Our observations hereinabove have no bearing, or should be construed as having any bearing, on these issues.*

70. *The admission of additional ground of appeal is also an academic issue in the light of the above conclusions arrived by us, and there is no need to deal with that aspect of the matter either. As we have decided this appeal on the short issue about the date from which the impugned order must be held to be effective, we refrain from dealing with all other issues, including the additional ground of appeal, at this stage. There are many other facets of arguments advanced before us and the grievances raised before us. However, we see no need to deal with all these aspects of the matter at this stage.*

6. *We see no reasons to take any other view of the matter than the view so taken by the coordinate bench in the case of Navajbai Ratan Tata Trust vs PCIT (Supra). These observations will apply mutatis mutandis in the present case as well. Respectfully following the same, we hold that the impugned order cancelling registration granted to the assessee trust will have effect from the date on which hearing, on the first show cause notice requiring the assessee to show cause as to why registration under section 12A not be cancelled, and the assessee formally acquiesced to the said notice 10.03.2015, i.e on 20<sup>th</sup> March 2015."*

9. *As no distinguishing decision has been brought to our notice, respectfully following the decision of the Co-ordinate Bench (supra), we decline to interfere with the findings of the ld. CIT(A)."*

5. Insofar as Ground Nos. 2 & 3 are concerned, while scrutinizing the return of income, the AO noticed that the assessee has claimed deduction u/s 80G at Rs. 16,93,07,443/- and u/s 80GGA Rs.29,79,92,156/-. These deductions were claimed in the computation of income by the assessee but in the return of income, the assessee has claimed deduction u/s 80G of the Act only for which the assessee furnished necessary proof. However, as per the provisions of Section 80G(4), the donation made in excess of credits of sums in respect of deduction has to be allowed u/s 80G of the Act. As mentioned hereinabove, in the computation the

assessee claimed deduction u/s 80GGA of the Act but in the return of income, only deduction u/s 80G of the Act was claimed. The AO accordingly rejected the claim of deduction u/s 80GGA of the Act.

6. When the matter was agitated before the ld. CIT(A), the ld. CIT(A) was of the opinion that since there is no column in the return in ITR-V for claiming deduction u/s 80GGA of the Act, therefore such deduction could not be claimed by the assessee due to this technical reason and accordingly directed the AO to allow the claim subject to his satisfaction of other conditions laid down in this regard.

7. We find that similar difficulty arose and was considered by the Co-ordinate Bench in the case of *RD Tata Trust in ITA No. 4075/Mum/2023*.

The relevant findings read as under:-

*"09. We have carefully considered the rival contentions and perused the orders of the lower authorities. We find that the assessee is a public trust registered under the Bombay Public Trust Act, 1950, originally registered under Section 12A of the Act on 10th December, 1990 but subsequently, it surrendered its registration on 26th February, 2015, as it did not want to claim any benefit under Section 11 of the Act. The assessee has earned interest income of ₹247,23,301/-. Out of this interest income, it claimed deduction of ₹1,42,033/- under 80G of the Act and ₹1,27,02,000/- under Section 80GGA of the Act. It was stated that as no separate column was available in ITR filed for section 80GGA of the Act, the assessee clubbed both this deduction together and accordingly, restricted the taxable income to ₹ nil. In Page | 8 RD Tata Trust; A.Y. 2017-18 the computation of total income file during the course of assessment proceedings, the assessee claimed deduction under Section 80GGA of the Act of ₹1,27,02,000/- and also claimed deduction under Section 80G of the Act of ₹1,42,33,000/-. The deduction under Section 80G of the Act was made by the assessee as it donated ₹1,42,33,000/- to Tata Institute of Social Sciences, Deonar, Bombay which is approved university or educational Institution by prescribed authority as per notification dated 15th December, 1993. Therefore, the deduction under Section 80G of the Act was not restricted to 10% of the gross total income as deduction granted to the specified entities and therefore, 50% of the above amount was allowed. The learned CIT (A) has restored the matter back to the file of the learned Assessing Officer to grant deduction to the assessee under Section 80G of the Act to the entities registered under Section 80G(3)(a)(iiif) of the Act after verification. Thus, according to him on perusal of Section 80G(4) of the Act, it does not restrict the donation given to such entity by restricting it to the 10% of the total income."*

8. Respectfully following the decision of the Co-ordinate Bench (*supra*), we do not find any error or infirmity in the directions of the Id. CIT(A). Ground Nos. 2 & 3 are accordingly dismissed.

9. The issue raised by Ground No. 4 is directly related to the issue raised in Ground No. 1. For our detailed discussion therein, Ground No. 4 is also dismissed.

10. In the result, appeal of the revenue is dismissed.

**Order pronounced in the Court on 11<sup>th</sup> September, 2025 at Mumbai.**

*Sd/-*

**(SANDEEP SINGH KARHAIL)  
JUDICIAL MEMBER**

*Sd/-*

**(NARENDRA KUMAR BILLAIYA)  
ACCOUNTANT MEMBER**

Mumbai, Dated 11/09/2025

*Sd/-*

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण, मुंबई /DR,ITAT, Mumbai,
6. गार्ड फाई/ Guard file.

आदेशानुसार/ BY ORDER  
TRUE COPY

Assistant Registrar  
आयकर अपीलीय अधिकरण  
ITAT, Mumbai