

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "B", PUNE

BEFORE SHRI MANISH BORAD, ACCOUNTANT MEMBER
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.51/PUN/2025

Swa Mohamad Isaq Patel Memorial Education Society, At Post Jawala Bazar, Aundha Nagnath, District- Hingoli- 431705. PAN : AANTS2474H	Vs.	CIT, Exemption, Pune.
Appellant		Respondent

Assessee by : Shri Pranav Ashtikar (Virtual)
Revenue by : Shri Amit Bobde

Date of hearing : 07.10.2025
Date of pronouncement : 29.10.2025

आदेश / ORDER

PER VINAY BHAMORE, JM:

This appeal filed by the assessee is directed against the order dated 12.03.2024 passed by Ld. CIT, Exemption, Pune rejecting the application for registration u/s 12AB of the IT Act.

2. Facts of the case, in brief, are, that the assessee filed its application for registration in Form No.10AB under clause (iii) of section 12A(1)(ac) of IT Act on 27.09.2023. With a view to verify the genuineness of activities of the assessee and compliance to requirements of any other law for the time being in force by the

trust/institution as are material for the purpose of achieving its objects, notices were issued through ITBA portal requesting the assessee to upload certain information/clarification. The assessee in response to above notice furnished desired information as mentioned in the notice. After verifying these details, Ld. CIT, Exemption, Pune dismissed the application for registration u/s 12AB of the Act by observing as under :-

“6.1 On perusal of the lists of donations furnished by assessee, certain deficiencies and inconsistencies are noticed. Despite the specific request for comprehensive details including full name, complete address, PAN of donors, date and mode of donation, amount, and receipt numbers issued, the furnished lists does not contain full addresses and PANs of donors, which were explicitly requested and has only name of place/town as address. Further, all donations are purportedly shown to have been received only in cash, raising concerns regarding the genuineness of donations. Moreover, the sequential arrangement of donors from distinct places/towns, followed by receipt numbers in sequence, suggests a pattern that appears practically implausible. Moreover, the absence of copies of receipts for verification further adds to the shortcomings in the submission. In view of the same, the contention put forth by the assessee trust regarding the adequacy of the provided information cannot be accepted.

6.2 The contention put forth by the assessee trust regarding the loans acquired and the absence of requisite permissions under section 36A of the Maharashtra Public Trust Act, 1950, is duly considered. However, there appeared certain violations of both the Memorandum of Association (MOA) and the statutory provision mentioned. The trust, by its own admission, has procured substantial loans in the financial years 2010-11, 2022-23, and 2012-23, of large sums. The trust has outstanding loans amounting to Rs. 123.98 lakhs, Rs. 122.98 lakhs, and Rs. 122.59 lakhs in the FYs 2020-21, 2021-22, and 2022-23, respectively. Moreover, it is explicitly mandated by Clause (20) of the MOA of the trust that prior permission from the Charity Commissioner is obligatory before raising any loan from an individual or institution. The acknowledgment by the assessee trust of its failure to procure such permissions from the Charity Commissioner corroborates the breach of both the MOA and the statutory provision under section 36A of the Maharashtra Public Trust Act, 1950. Therefore, the contention raised

by the assessee trust stands rebutted in light of the aforementioned violations.

6.3 Regarding education activities, upon thorough examination, it is noticed that the trust's contention lack substantiation and suffers from inconsistencies and failures to comply with procedural requirements. Despite the trust's claim of having furnished the requisite details and documents in response to the notice dated 08/01/2024, no such compliance has been recorded either on the e-portal or through post. The purported submission made by the trust on the e-portal on 16/01/2024, alleging attachment of information, stands contradicted by the absence of any such submission. Further, other discrepancies are apparent within the trust's own submissions, notably in Clause 2(i) and 2(iii) of its reply, wherein conflicting statements regarding the grant status of their institutions and the collection of fees from students are made. Despite initially asserting that some institutions are non-granted, the trust subsequently claimed that all institutions are granted and no fees are charged, which is inconsistent with the financial statements revealing fee collection. The trust's contention that the provisions of the RTE Act do not apply due to all institutions being granted is also, therefore, not found to be correct.

7. In view of the above, the undersigned is not satisfied about the charitable nature and the genuineness of activities of the assessee and compliance to requirements of any other law for the time being in force by the trust/institution as are material for the purpose of achieving its objects. Therefore, the application filed by the assessee is hereby rejected and the provisional registration granted on 31/12/2021 under section 12AB read with section 12A(1)(ac) (vi) of the Income Tax Act, 1961 is hereby cancelled.”

3. It is this order against which the assessee is in appeal before this Tribunal.

4. Ld. AR appearing from the side of the assessee submitted before us that the order passed by Ld. CIT, Exemption, Pune is not justified. Ld. AR submitted before us that Ld. CIT, Exemption, Pune observed in his order, that receipts issued, for donation received by the assessee, were not produced before him. In this

regard, Ld. AR submitted that the copy of receipts of donations issued by the assessee are available and if one more opportunity is provided to the assessee he will produce all the receipts before Ld. CIT, Exemption, Pune. Ld. AR further submitted that one of the ground for rejection of the application for registration was absence of permission of Charity Commissioner as per section 36A of the Act. In this regard, Ld. AR submitted that every year the audited statements were produced before Charity Commissioner and so far no dispute arose from the side of the Charity Commissioner on account of not obtaining prior permission for obtaining loans. In this regard, Ld. AR relied on coordinate bench decision passed in the case of Shri Vyanknath Maharaj Shikshan Sanstha vs. ITO in ITA No.398/NAG/2024 order dated 21-03-2025 wherein similar issue was decided in favour of the assessee. Ld. AR further submitted that each and every information/details desired by Ld. CIT, Exemption, Pune was furnished on 16.01.2024 on the ITBA portal, however Ld. CIT, Exemption, Pune erred in observing that no complete details were furnished. In this regard, Ld. AR produced copy of acknowledgement of furnishing information/details on the ITBA Portal. Learned AR further submitted that all the institutes run by the assessee are receiving

grants from the state and therefore no fees is collected from the students however Ld. CIT, Exemption, Pune erred in observing that the reply of the assessee in this regard is contradictory. Ld. AR submitted before the bench that if one more opportunity is provided to the assessee he will clarify the position before Ld. CIT, Exemption, Pune. Accordingly, Ld. AR requested before the bench to set-aside the order passed by Ld. CIT, Exemption, Pune and further requested to grant one more opportunity to appear before Ld. CIT, Exemption, Pune in connection with the application for registration u/s 12AB of the Act.

5. Ld. DR appearing from side of the Revenue relied on the order passed by Ld. CIT, Exemption, Pune and requested to confirm the same.

6. We have heard Ld. counsels from both the sides and perused the material available on record including paper book & copy of case law furnished by the assessee. In this regard, we find that admittedly the assessee has furnished reply on 16.01.2024 wherein various information desired by Ld. CIT, Exemption, Pune was produced. We further find that the assessee is maintaining regular books of accounts which are audited by a qualified Chartered Accountant and the same are also produced before the Charity

Commissioner on yearly basis and no objection was raised by the Charity Commissioner with regard to loans obtained by the assessee. Ld. AR also submitted that the assessee will apply for *post facto* approval from Charity Commissioner. It is the contention of Ld. AR of the assessee that for each and every donation proper receipt is issued by the assessee wherein complete details of donor is available and the assessee is in a position to furnish all those receipts before Ld. CIT, Exemption, Pune. It was also the contention of Ld. AR of the assessee that all the institutions run by the assessee are receiving grants and therefore no fees is collected from the students and the assessee is again ready to substantiate his contention with regard to receipt of grant and non-collection of fees from the students.

7. Considering the totality of the facts of the case and in the interest of justice, we deem it appropriate to set-aside the order passed by Ld. CIT, Exemption, Pune and without going into the merits of the case remand the issue back to his file with a direction to decide the application for registration u/s 12AB of the Act afresh as per fact and law after providing reasonable opportunity of hearing to the assessee. The assessee is also hereby directed to comply with the notices issued by Ld. CIT, Exemption, Pune and

produce requisite documents/information in support of the application for registration without taking any adjournment under any pretext, otherwise Ld. CIT, Exemption, Pune shall be at liberty to pass appropriate order as per law. Thus, the grounds of appeal raised by the assessee are allowed for statistical purposes.

8. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on this 29th day of October, 2025.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 29th October, 2025.

Sujeet

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT, Exemption, Pune.
4. The Pr CIT/CIT concerned.
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच, पुणे / DR, ITAT, "B" Bench, Pune.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.