

IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "A", MUMBAI

BEFORE SHRI ANIKESH BANERJEE, JUDICIAL MEMBER AND  
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER

I.T.A No.5140/Mum/2025  
(Assessment Year: NA)

<b>Academy of Fine Arts &amp; Crafts</b> AFAC School Building, St. Anthony Road, Chembur, Mumbai-400 071 <b>PAN : AAATA4134H</b>	<b>vs</b>	<b>CIT (Exemptions), Mumbai</b> 601, Cumballa Hill MTNL TE Building, Dr. Gopalrao Deshmukh Marg, Cumballa Hill, Mumbai-4300 026
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by : Shri Vimal Punmiya  
Respondent by : Shri Rajesh Kumar Yadav (CIT DR)

Date of hearing : 04/12/2025  
Date of pronouncement : 10/12/2025

**ORDER**

**Per: Anikesh Banerjee (JM):**

The instant appeal of the assessee was filed against the order of the Learned Commissioner of Income-tax (Exemption), Mumbai [hereinafter, "Ld.CIT(E)"] order passed U/s 12AB(1) of the Income tax Act, 1961 (for brevity, the "Ld. AO"), date of order 25/06/2025.

2. The brief facts of the case is that the assessee is a Charitable Trust established in 1963 registered under the Bombay Public Trusts Act, 1950, and is

running various educational institutions under name AFAC. The various educational institutions run by AFAC are recognized by Mumbai Municipal Corporation and Government of Maharashtra. The education is imparted to the needy students who generally are from economically and socially backward categories across India. The assessee also runs a School in Ladakh in the name of Turtuk Valley School, Ladakh. The said school is recognized by the Government of Ladakh (Union Territory). This institution is purely a social cause to impart education at par of urban level. The assessee is registered for CSR activities under the Ministry of Corporate Affairs, under section 80-G of the Act and also under Minority Act as well. The assessee commenced its first school in Mumbai in the year 1964 and since then running nine schools with over 3,800 students in six sections namely Pre Primary, Primary English, Primary Marathi, Secondary Marathi, Secondary English and Junior College. From year 2020, the assessee has taken up a social project in very hard to reach place named 'Turtuk' Village in Karakoram region of Ladakh (U/T) about 7 hours journey from Leh city, exactly at Indo Pak Border. The Turtuk Valley School is committed to providing quality education in one of the most remote regions of Ladakh. The assessee submitted the application in Form 10AC u/s 12A(1)(ac)(vi) for provisional registration u/s 12AB. The Ld.CIT(E) issued notice for hearing, but there was no compliance from the end of the assessee. The Ld.CIT(E) observed that the registration u/s 12AB is to be granted in terms of provisions of section 12AB(1)(b) of the Act only after being satisfied about the objects of the trust or institution, the genuineness of the activities, and the compliance of any other law for the time being in force as are material for the purposes of achieving its objects. In the absence of compliance

from assessee, the Ld.CIT(E) rejected the application. Being aggrieved, assessee filed an appeal before us.

3. The Ld. AR argued the matter and filed a paper book comprising **pages 1 to 72**, which has been taken on record. The Ld. AR also submitted an affidavit duly affirmed by the General Secretary of the assessee-trust, Mr. Jitendra Madanlal Mandlecha, executed on 26/11/2025. In the affidavit, it is stated that he was visiting their school, "Turtuk Valley School," Ladakh. The said school is located approximately 200 kilometers from Leh and is situated near the India-Pakistan border. The area has no internet connectivity. Consequently, he was unable to access emails due to the unavailability of internet facilities and, therefore, could not respond to the notices issued by the Ld. CIT(E) through email.

In view of these circumstances, the Ld. AR prayed that the matter may be restored to the file of the Ld. CIT(E) with a direction to afford the assessee a reasonable opportunity of being heard for submitting the requisite documents.

4. The Ld.DR argued and stands in favour of the order of the Ld. CIT(E).

5. We have heard the rival submissions and perused the material available on record. We note that the assessee is a long-standing charitable trust established in 1963, registered under the Bombay Public Trusts Act, 1950, and engaged in running various educational institutions under the name "AFAC." These institutions are recognised by the Mumbai Municipal Corporation and the Government of Maharashtra and cater largely to students from economically and socially weaker sections. The assessee also operates the "Turtuk Valley School" in

Ladakh, recognised by the Government of Ladakh (Union Territory), which is situated in a remote border region lacking basic internet connectivity. The trust is also registered for CSR activities under the Ministry of Corporate Affairs, holds approval under section 80G of the Act, and is recognised under the Minority Act.

The assessee had applied for provisional registration under section 12AB by filing Form 10AC in terms of section 12A(1)(ac)(vi). The Ld. CIT(E) issued notices seeking information; however, due to the assessee's non-compliance, the application was rejected on the ground that the authority was unable to satisfy itself regarding the charitable objects, genuineness of the activities, and compliance with other applicable laws as required under section 12AB(1)(b). Before us, the Ld. AR submitted a paper book (**pages- 1-72**) and an affidavit affirmed by the General Secretary of the assessee-trust, Mr. Jitendra Madanlal Mandlecha, explaining that he was stationed at the "Turtuk Valley School" during the relevant period, where no internet connectivity exists. Consequently, he was unable to access the emails containing the notices issued by the Ld. CIT(E). This fact explains the reason for non-compliance and establishes a reasonable cause.

In our view, the explanation offered is bona fide and constitutes a reasonable cause for the failure to respond. Thus, the assessee was effectively denied a reasonable opportunity of being heard, amounting to a breach of the principles of natural justice.

Accordingly, we set aside the impugned order of the Ld. CIT(E) and restore the matter to his file with a direction to consider the assessee's application afresh, after affording an adequate and reasonable opportunity of hearing. The assessee is also directed to remain diligent and co-operative in the set-aside proceedings.

We refrain from expressing any opinion on the merits of the case, so as not to prejudice the fresh adjudication before the Ld. CIT(E).

6. In the result, the appeal of the assessee bearing **ITA 5140/Mum/2025** is allowed for statistical purpose.

Order pronounced in the open court on 10/12/ 2025.

Sd/-

(PRABHASH SHANKAR)  
ACCOUNTANT MEMBER  
Mumbai,दिनांक/Dated: 10/12/2025  
Pavanan

sd/-

(ANIKESH BANERJEE)  
JUDICIAL MEMBER

**Copy of the Order forwarded to:**

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकरआयुक्त CIT
4. विभागीयप्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT, MUMBAI
5. गार्डफाइल/Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar), **ITAT, MUMBAI**