

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“D” BENCH, MUMBAI**

**BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER &  
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER**

**I.T.A. No.1257/Mum/2025  
A.Y: 2024-25**

Mumbai Cricket Association 3 <sup>rd</sup> Floor, Cricket Centre, D Road, Churchgate <b>PAN – AAAAM0223A</b>	Cricket Vs	CIT(E) 601, 6 <sup>th</sup> Floor, Cumballa Hill MTNL TE, Bldg Peddar Road, Ld.DR. Gopalrao, Deshmukh Marg, Cumballa.
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by	Shri Nitesh Joshi & Shri Anil Sathe
Revenue by	Shri Umashankar Prasad (CIT DR)

Date of Hearing	15.09.2025
Date of Pronouncement	04.12.2025

**ORDER**

**Per: SHRI. SANDEEP GOSAIN, J.M.:**

The present appeal has been filed by the appellant challenging the impugned order dt. 31.12.2024 passed by Id. CIT(E). The Appellant has raised the following grounds of appeal:

*“1. The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in rejecting the application made by the Appellant under section 12A(1)(ac)(iii) of the Income Tax Act 1961 (the Act).*

*2. The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in passing the impugned order without granting a reasonable opportunity of being heard in violation of the principles of natural justice.*

3. *The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in holding that provisions of section 11(1)(c) of the Act are violated without appreciating that 'arranging tours outside India' does not amount to application of income for purposes outside India.*

4. *The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in holding that the return of income filed by the Appellant for Assessment Year 2024- 25 stands invalid as the same was filed on the basis of unaudited financial statements.*

5. *The learned Commissioner of income Tax (Exemptions) | erred in facts and in law in holding that the activities undertaken by the Appellant, the expenditure incurred thereon and income earned by the Appellant are non- genuine and non-complying with the provisions of the Act, on the basis of completely irrelevant facts.*

6. *The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in holding that the activities of the Appellant are commercial in nature.*

7. *The learned Commissioner of Income Tax (Exemptions) erred in facts and in law in invoking proviso to section 2(15) of the Act, without appreciating that the said proviso has no role to play at the time of granting registration under section 12AB of the Act.*

8. *The appellant craves leave to add alter or amend any of the grounds of at any time before or at the time of hearing of the Appeal.”*

2. An application for leading additional evidence has been filed by the appellant, the contents of which are reproduced herein below:

*Sub: Application for admission of additional evidence under rule 29 of the Income-Tax (Appellate Tribunal) Rules 1963 in the case of Mumbai Cricket Association*

*ITA No. ITA 1257/MUM/2025 Adj. to 15/09/2025  
Ref: PAN:AAAM0223A*

*The above-mentioned appeal is pending adjudication before your honours. The appeal is in regard to denial of registration under section 12AB of the Income Tax Act, 1961 (the Act) by the Commissioner of Income Tax (Exemptions) by his order dated 31 December 2024.*

*The said application was filed on 28th June 2024. Two notices dated 8th November 2024 (requiring details to be furnished on or before 22nd November 2024) and dated 09 December 2024 (requiring details to be furnished or before 16 December 2024), were received.*

*The Appellant furnished the data including the requested explanations to the extent possible. The proceedings were conducted online.*

*The registration was denied primarily on three grounds:*

*(a) The objects, included an object permitting the Appellant to organize tours of its cricketers outside India, which was treated as in violation of section 11(1)(c) of the Act*

*(b) The streams of income earned by the Appellant reflected incomes which in the opinion of the Commissioner of Income Tax (Exemption), was violative of the proviso to section 2(15) of the Act*

*(c) In the opinion of the learned Commissioner of Income Tax (Exemption), the appellant had committed violation of the terms of the lease, which the Mumbai Metropolitan Regional Development authority (MMRDA) granted to it.*

*The proceedings commenced four months after the filing of the application for registration and only two opportunities were granted to the Appellant to explain its case. No further communication or, show cause notice was issued to the Appellant and therefore, it was not able to place on record comprehensive submissions and the relevant documents/data which would substantiate its case.*

*The issues involved are complex, have an old factual background, and therefore require substantial explanation/ elucidation as well as appreciation of certain documents and record.*

*The concession agreements, the correspondence with the Mumbai Metropolitan Regional development authority (MMRDA) (Pages 1 to 239), are necessary to be brought on record to rebut the finding that the appellant has violated the lease deed with MMRDA. Similarly the documents at pages 273 to 295, are necessary to rebut the finding that participation, in a match in a foreign country by the appellant's players would violate section 11(1)(c). thereby necessitating rejection of the registration application*

*As explained above, the appellant has not got sufficient opportunity to put forth its case. In the interest of justice, it is necessary that your honours exercise discretion vested in you by virtue of Rule 29 of Income Tax Appellate Tribunal Rules, 1963 (the Rules) and admit the additional documents/evidence so that the appeal can be appropriately adjudicated upon. For your honours indulgence we will always remain obliged.*

3. On the other hand ld. DR contested the said application and requested to reject the same.

4. We have heard the counsels for both the parties, perused the contents of the application, material placed on record, judgements cited before us and also the orders passed by the revenue authorities. From the records, we noticed that vide order dated 31.12.2024, Ld. CIT(E) rejected the application of the assessee u/s 12AB of the Act for grant of registration u/s 12A(AC)(iii) of the Act primarily on the ground that

a. The application filed by the assessee in Form No. 10AB was not complete and all the documents required to be accompanying the application were not furnished.

b. Clause 4(d) of the objects clause in the Memorandum of Association enables application of funds outside India which has been held to be contrary to section 11(1)(c) of the Act. Pursuant thereto, it is alleged that the Appellant ought to have amended the aforesaid objects clause (see paragraphs 4 and 4.1 at pages 4 to 6 of the Order);

c. Referring to the fact that the Financial Statements for the assessment years 2022-23 and 2023-24 were prepared after the filing of the returns of income under the Act for the respective years, it is alleged that the activities undertaken by it, the non-genuine and do not comply with the provisions of the Act (see paragraphs 4.2 and 4.3 at page 6 of the Order):

d. Referring to the income by way of match telecast revenue received from BCCI, sale of tickets, advertisement rights, royalty from catering stalls and hosting fees from BCCI in the financial statements for assessment years 2022-23 and 2023-24. it is alleged that activities giving rise to such receipts are commercial in nature and hence, cannot be considered as charitable activities (see paragraph 5 at pages 6 and 7 of the Order):

e. Reference has also been made to Order dated 31.12.2010 passed by the DIT (Exemptions), Mumbai under section 12AA(3) of the Act cancelling the registration earlier granted on 14.03.1975. That such cancellation of registration has been upheld by the Tribunal by its Order dated 08.08.2012. Consequent thereto, it has been held that the Appellant's activities are in the nature of trade, commerce or business or an activity of rendering any service in relation to any trade, commerce or business for a cess or fee or any other consideration. That the Appellant is not pursuing a charitable activity as its activities do not represent work towards people in need (see paragraph 6 at page 7 of the Order); and

Finally, in paragraph 7 at page 13, it is alleged that the Appellant trust is involved in activities in the nature of trade, commerce or business which are not incidental to the objects of the trust. That income received from such commercial activities exceed 20% of its total receipts which is in violation of the provisos below section 2(15) of the

Act. That, the financial statements submitted by the Appellant raises questions regarding genuineness of expenditure made and income received by it. Further, it has also violated section 11(1)(c) and has not taken appropriate action in this regard.

Based on these observations, Ld. CIT(E) rejected the application of the assessee for seeking registration.

4. Now by way of application the appellant wants to file additional evidences which are in paper book containing page 1 to 295. As per the assessee the said information in Serial no.1 to 11 that is pages 1 to 277 are relevant for placing on record the facts relating to Lease Agreement between the Appellant and MMRDA. Though, MMRDA had issued a termination notice on 01.06.2015 (see pages 172 to 174). The Appellant has opposed the said position by filing detailed response duly supported by an opinion obtained from Former Judge of the Supreme Court being Justice H. L. Gokhale (see pages 183 to 196). After further correspondence, MMRDA ultimately appointed special Auditor for carrying out audit of its as well as SI's books of account. Subsequently, MMRDA called for clarification from the Appellant with respect to certain observations made by the Auditors in the special audit report (see pages 225 to 227) which was duly responded by it by its letter dated 27.01.2025 (see pages 228 to 239). Thereafter, no further steps have been taken by them. Thereafter at pages 240 and 241 details have been given with The respect to

the facilities at the indoor cricket academy. statement of fixed asset prepared by an independent practitioner (see pages 242 to 245), certificate from SI for expenditure incurred for development of the said academy (page 246) and certificate from CA is at pages 247-248. This shows that the expenditure incurred in this regard is approximately 18 crore. A bare perusal of Appellant's audited financial statement for the financial year 2003-04 shows that it did not have the necessary financial resources in this regard. Hence, it was constrained to enter into the concession Agreement with SI. Lastly, at serial no.12 to 14 being pages 278 to 295 of the said Paper book information has been provided with respect to a tour to UK in the year 2025. This information would be relevant to adjudicate on the aspect relating to clause 4(d) of the object clause in the Memorandum of Association enabling application of funds outside India. In the history of the appellant, such tours were It is submitted that the said additional evidence is relevant for the issues arising in this appeal. That it could not be filed earlier as a specific question was not asked in this regard by the CIT (Exemptions), Mumbai. Hence, the same may be admitted and the appeal be decided accordingly. very few, the most recent being the one in 2025.

5. After evaluating the additional evidences documents and considering all the facts put forth before us, we noticed that all the above referred additional evidences are

relevant for adjudicating the issues arising while adjudicating the application of the assessee filed u/s 12AB of the Act and it goes to the roots of the case. During the proceedings before Ld. CIT(E) only two opportunities were granted to the appellant to explain its case. Therefore, appellant could not place on record comprehensive submission and the relevant documents/data to substantiate its case. Even the issues involved are complex, thus, requires substantial explanation/elucidation of documents and record. We also notice that the concession agreements, the correspondences with Mumbai Metropolitan Regional Development Authority (MMRDA) are necessary to be brought on record to rebut the findings that the appellant has violated the lease deed with MMRDA. Similarly the documents with regard to participation in a match in a foreign country are also necessary to rebut the findings with regard to violation of section 11(1)(c) of the Act.

6. Whereas on the contrary no prejudices is going to be caused to the respondent in case the additional evidences are allowed to be placed on record and considered for adjudicating the application of the appellant. We also noticed that all the above mentioned documents as mentioned in paper book at page No. 1 to 295 could not be filed by the appellant earlier despite due diligence as no specific question was ever asked in this regard by Ld. CIT(E). Since all the above documents are also consistent

with the appellant's pleadings and therefore, we admit the additional evidences mentioned at paper book page No. 1 to 295 by allowing the application of appellant for leading evidences.

7. Since the additional evidence admitted by us requires factual verifications therefore we restore the matter back to the file of Ld. CIT(E) with a direction to get the same verify the additional evidences admitted by us and then to decide the application for registration filed by the appellant for registration afresh. Needless to say after providing adequate opportunity of hearing to the assessee.

8. Before parting, we make it clear that our decision to restore the matter back to the file of the Ld. CIT(E) shall in no way be construed as having any reflection or expression on the merits of the dispute which shall be adjudicated by the Ld. CIT(E) independently in accordance with law. With above observations we order accordingly.

9. In the result, appeal filed by the appellant stands allowed for statistical purposes.

Order pronounced in the open court on 04/12/2025 .

Sd/-  
**(PRABHASH SHANKAR**  
**(ACCOUNTANT MEMBER)**

Sd/-  
**(SANDEEP GOSAIN)**  
**(JUDICIAL MEMBER)**

Mumbai:  
Dated: 04/12/2025  
KRK, Sr. PS.

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy

By order

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