

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

BEFORE SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER AND
SHRI ANIKESH BANERJEE, JUDICIAL MEMBER

I.T.A No.4390/Mum/2025
(Assessment Year: N.A.)

Extension Systems Foundation International C-25/2, Kendriya Vihar, Sct-38, Seaward w. Maharashtra-400706 PAN : AAECE7071J	vs	Commissioner of Income Tax (Exemption) 601/6, Cumballa Hill, MTNL TE, Peddar Road, Maharashtra-400026
APPELLANT		RESPONDENT

Assessee by : Ms. Aashi Narayan
Respondent by : Shri Ritesh Misra (CIT DR)

Date of hearing : 14/01/2026
Date of pronouncement : 20/01/2026

ORDER

Per Anikesh Banerjee (JM):

The instant appeal of the assessee filed against the order of the Ld. Commissioner of Income-tax (Exemption), Mumbai [for brevity, 'Ld.CIT(E)'] order passed under section 12AB of the Income tax Act, 1961 (for brevity, 'the Act), date of order 02/02/2024.

2. The Registry informed that the appeal was filed with a delay of 430 days. The Ld. AR filed a notarised affidavit, duly executed by the Executive Director of the assessee, Dr. Om Singh Verma, on 18.06.2025. In the affidavit, it is stated that Dr. Verma is solely responsible for handling the income-tax matters of the assessee and is a super senior citizen aged 83 years. It is further averred that he underwent major spinal surgery on 14.11.2023 and, after partial recovery around August–September 2024, made earnest efforts to seek legal assistance for filing the present appeal before the Bench. The relevant medical records and medical certificate have been duly annexed with the appeal memorandum. The Ld. DR did not raise any serious objection to the assessee's request for condonation of delay. Upon consideration of the facts and circumstances, we are satisfied that sufficient cause existed for the delay of 430 days in filing the appeal. Accordingly, the delay is condoned and the appeal is admitted for adjudication.

3. The brief facts of the case are that the assessee is a non-profit organisation established for charitable purposes. The assessee was incorporated as a company under section 8 of the Companies Act, 1956 on 07.07.2017 and was registered with the Registrar of Companies, Mumbai on 11.07.2017. The assessee filed an application for registration under section 12A of the Act on 07.12.2017. However, the said application was rejected by the Ld. CIT(E) vide order dated 26.06.2018. Aggrieved, the assessee preferred an appeal before the Co-ordinate Bench of the ITAT, Mumbai, 'E' Bench, challenging the order dated 26.06.2018. The Co-ordinate Bench set aside the impugned order of the Ld. CIT(E) and directed the grant of registration under section 12A of the Act. The Ld. AR contended that the order of the Co-ordinate Bench of the ITAT, Mumbai in **ITA No. 4846/Mum/2018**

dated **27.05.2021** was binding on the Ld. CIT(E) for the purposes of granting registration under section 12AB of the Act. The same was admittedly given effect to by the Ld. CIT(E) by granting registration under section 12A(a) on 11.03.2022. The assessee applied for regularization of registration as per Finance Act,2020 and the controversy is started from here. The Ld. CIT(E) issued notices calling for submission of relevant documents in support of the claim for registration. However, due to non-compliance on the part of the assessee, the Ld. CIT(E) rejected the application U/s 12A(1) of the Act vide order dated 02.02.2024. Aggrieved thereby, the assessee has filed the present appeal before us.

4. The Ld. AR submitted that the assessee was denied a reasonable opportunity of being heard before the Ld. CIT(E). It was explained that the Executive Director of the assessee had undergone spinal surgery during the relevant period. It was further submitted that the other directors are close relatives of the Executive Director and were occupied with the medical emergency, which resulted in non-compliance before the Ld. CIT(E).

5. The Ld. DR submitted that the Bench had sought clarification regarding the rejection of registration under section 12A of the Act despite the binding judicial order of the ITAT, Mumbai 'E' Bench dated 27.05.2021, mentioned in para 7, page 18. In response, the clarification was furnished by the Ld. CIT(E) vide letter dated **28.10.2025** bearing No. **CIT(E)/Misc./Extension System/2025-26/110**. The relevant extract of the said submission is reproduced below:

"3. The Hon'ble ITAT has sought clarification on two issues. Firstly, the Tribunal has instructed to seek why the registration u/s 12A was not granted to the assessee despite the direction of the

order of the ITAT in para 7, page 18 of the order dated 27.05.2021. In this regard, it is pertinent to mention that the ITAT order was passed during Covid-19 pandemic. Further, ITAT orders are generally received after 3-4 months from the date of pronouncement of such orders. As such, the official work got delayed due to outbreak of Covid pandemic all over India. Further, it is to state that the O/O CIT(Exemptions) was shifted from Piramal Chambers to Cumballa Hill, Peddar Road in 2021. Due to such practical difficulties, there was delay in giving effect to the order of Hon'ble ITAT. However, the registration u/s 12A(a) of the LT. Act, was granted to the assessee vide DIN No. ITBA/COM/F/17/2021-22/1040610823(1) dated 11.03.2022 (copy enclosed), in pursuance to ITAT directions.

4. The second issue as to why registration application was rejected, because requisite documents were not accompanying the application, while it has been stated that documents had been duly served along with Form 10AB at the time of refiling. In this regard, it is pertinent to mention that the assessee's applications dated 30.09.2023 seeking regular registration were rightly rejected, due to the assessee's failure to submit the documents specifically requested vide notice dated 08.12.2023, despite multiple opportunities being granted to comply. It is a matter of record that all documents sought vide notice dated 08.12.2023 were not furnished along with Form 10AB. These documents were crucial for verifying the genuineness of the assessee's activities and ensuring compliance with the conditions prescribed under the Income Tax Act for charitable institutions.

In view of the assessee's persistent non-compliance even after reasonable and repeated opportunities, this office was left with no option but to reject the application. The rejection order was passed strictly in accordance with law and after following due process.

5 Thus, it is amply clear from the facts on record, that the assessee has failed to adhere to the mandatory procedural requirements laid down under the income Tax Act, for charitable trusts/institutions seeking exemptions under Sections 11 and 12. In its present appeal before the Hon'ble ITAT, the assessee has alleged that the CIT (Exemptions) rejected its applications under Sections 12AB and 80G vide order dated 02.02.2024 after adopting a harassing approach and in disregard of the binding directions of the Hon'ble ITAT, thereby violating the principles of natural justice. These allegations are completely unfounded, factually incorrect, and devoid of merit. In this regard, it is to clarify that this office has fully complied with the directions of the Hon'ble ITAT, by granting registration under Section 12A vide order dated 11.03.2022. Further, through the same order, the CIT (Exemptions) had issued clear and explicit instructions to the

assessee regarding the subsequent procedural steps required to pursue registration as per the provisions of the Act.

However, despite such clear guidance and several opportunities, the assessee failed to comply with the requirements and did not furnish the documents essential for processing its application. This conduct demonstrates the assessee's casual and non-serious approach towards statutory compliance.

6. In view of the above, it can be noted that this office has scrupulously followed all procedural requirements and has rightly and lawfully disposed of the assessee's applications only after due consideration. The order of rejection is, therefore, legally sound, procedurally correct, and fully justified in the facts and circumstances of the case."

6. The Ld. DR further advanced his argument and stated that the assessee had not complied the notice of the Ld. CIT(E) and had not submitted any document before the Ld. CIT(E). He invited our attention in impugned order of the Ld. CIT(E). The relevant part of the observations of the Ld. CIT(E) is reproduced as below:

"3 On verification of the application in Form 10AB filed by the assessee, it was found that the application was not complete, and all the documents required to be accompanying the application were not furnished. Hence, a notice was issued to the applicant vide DIN & Notice No. ITBA/EXM/F/EXM43/2023-24/1058594402(1) dated 08.12.2023 requesting the assessee to furnish the complete set of documents mentioned in Rule 17A(2). The assessee requested for provide some time extension to prepare all the documents on 20.12.2023. The hearing was adjourned to 09.01.2024 vide DIN & Notice No. ITBA/EXM/F/EXM43/2023-24/1059328635(1) dated 03.01.2024.

4. The Applicant has made no compliance to the terms of the above notice even after providing enough time for submission i.e. from 08.12.2023 to till date. Registration under section 12AB is to be granted in terms of the provisions of section 12AB(1)(b) of the Act after being satisfied about the objects of the trust or institution, the genuineness of 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 necessary compliance by the Applicant, I am unable to arrive at a satisfaction on these parameters. As such, in view of the statutory limitation to decide on the application on or before 31.03.2024, I am left with no other option but to reject the application seeking registration under section 12AB of the Act.

5. *In conclusion, this application for grant of registration stands rejected.”*

7. We have heard the rival submissions and carefully considered the material available on record. It is an undisputed position that the Co-ordinate Bench of the ITAT, Mumbai, vide order dated 27.05.2021, had directed the grant of registration under section 12A of the Act, and the same was admittedly given effect to by the Ld. CIT(E) by granting registration under section 12A(a) on 11.03.2022. The present controversy arises in the context of the subsequent application filed by the assessee seeking regular registration under section 12AB of the Act. From the records, it is evident that the assessee filed Form No. 10AB seeking registration under section 12AB, but the application was found to be incomplete. The Ld. CIT(E) issued a notice dated 08.12.2023 calling upon the assessee to furnish the documents prescribed under Rule 17A(2) of the Income-tax Rules, 1962. Though time was sought by the assessee and the matter was adjourned, no effective compliance was made even thereafter. In the absence of the requisite documents, the Ld. CIT(E) recorded that he was unable to satisfy himself regarding the objects of the assessee, the genuineness of its activities, and compliance with other applicable laws, which are mandatory statutory preconditions for grant of registration under section 12AB of the Act.

8. At the same time, we find merit in the contention of the Ld. AR that the non-compliance occurred due to exceptional and unavoidable circumstances, namely, the serious medical condition of the Executive Director, who was solely handling the tax matters of the assessee, and the consequent disruption caused due to his spinal surgery. The explanation offered by the assessee has not been

shown to be false or mala fide. Considering the charitable nature of the assessee and the fact that registration under section 12A had already been granted pursuant to the binding directions of the Tribunal, we are of the view that the ends of justice would be met by affording one more opportunity to the assessee to comply with the statutory requirements.

9. In view of the above facts and circumstances, we deem it appropriate to set aside the impugned order dated 02.02.2024 passed by the Ld. CIT(E) and restore the matter to his file for fresh adjudication of the assessee's application for registration under section 12AB of the Act, in accordance with law. The assessee is directed to file all requisite documents and details as called for, and the Ld. CIT(E) shall afford a reasonable opportunity of being heard to the assessee before passing a speaking order.

10. In the result, the appeal of the assessee bearing **ITA No.4390/Mum/2025** is allowed for statistical purpose.

Order pronounced in the open court on 20th day of January, 2026.

Sd/-

(OM PRAKASH KANT)
ACCOUNTANT MEMBER

Mumbai, दिनांक/Dated: 20/01/2026

Saumya

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**