

**IN THE INCOME TAX APPELLATE TRIBUNAL
"F" BENCH MUMBAI**

**BEFORE HON'BLE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUETH, ACCOUNTANT MEMBER**

ITA No. 5120 & 5121/Mum/2025

Faiz-e-Garib Trust Ground Floor Hans residency, Masrani Lane, B-Wing 501, Near AI Barkat School Kurla (W), Mumbai.	Vs.	CIT(E) Room No. 601, 6 th Floor, cumballa Hill, MTNL TE Bldg, Pedder Road, Mumbai- 400026.
PAN/GIR No.AAATF7781K		
(Applicant)		(Respondent)

Assessee by	Shri Kunal Lunawat
Revenue by	Ms. Kavith Kaushik, Sr. DR

Date of Hearing	21.01.2026
Date of Pronouncement	28.01.2026

अदेश / ORDER

PER SANDEEP GOSAIN, JM:

The present appeals have been preferred by the assessee against the separate orders dated 26.06.2025 passed by the Ld. Commissioner of Income Tax (Exemption), Mumbai, whereby he assessee's applications for seeking regular registration u/s 12AB of the Act and approval u/s 80G of the Act were rejected.

Since both the appeals emanate from a common factual substratum and arise out of identical reasoning adopted by the Ld. CIT(E), they are being disposed of by way of this

consolidated order. First of all we take up **ITA No. 5120/Mum/2025** as lead case and the facts narrated therein.

ITA No. 5120/Mum/2025

2. All the grounds raised by assessee are interrelated and interconnected and relates to challenging the order of Ld. CIT(E) in rejecting the assessee's application in Form – 10AB filed for seeking conversion of the provisional registration into a regular registration u/s 12AB of the Act.

3. We have heard the counsels for both the parties, perused the material placed on record, judgments cited before us and also the orders passed by the revenue authorities. From the records, we noticed that assessee's trust had filed the application for regularization of provisional registration u/s 12A of the Act with a delay of 18 months hence the same was rejected. In this regard Ld. AR submitted that the delay in filing form 10AB was neither deliberate nor intentional, but occurred due to a bona fide and reasonable belief founded on the CBDT circulars governing the new registration framework. It was contended that the CBDT itself, recognizing the genuine hardships faced by charitable institutions, has repeatedly extended timelines and clarified procedural ambiguities, thereby indicating that strict and inflexible adherence to timelines was never intended in deserving cases. It was further submitted that, if granted an opportunity, the amended trust deed would be placed before the Ld. CIT(E) for verification.

4. Whereas on the contrary Ld. DR appearing on behalf of the department supported the impugned orders and submitted that the application of the assessee was rightly rejected as the same was not filed within timelines.

5. After having the facts of the present case, we found that issue has already been decided by series of decisions by the Coordinate Bench of ITAT in the following cases.

The Hon'ble Income Tax Appellate Tribunal, Mumbai, D- Bench in the case of Rotary Club of Mumbai Sobo Charitable Trust Vs. CIT(Exemptions), Mumbai in ITA No.5041/Mum/2025 & 5042/Mum/2025 order dated- 06/01/2026

b. The Hon'ble Income Tax Appellate Tribunal, Mumbai, B-Bench in the case of Narke Green Foundation Charitable Mumbai in ITA Institution Vs. CIT(Exemptions), No.1864/Mum/2025 order dated-22/05/2025

c. The Hon'ble Income Tax Appellate Tribunal, Pune, A-Bench in the case of Baburao Chandere Social Foundation Vs. CIT(Exemptions), Pune in ITA No.389/Mum/2025 order dated-12/06/2025

d. The Hon'ble Income Tax Appellate Tribunal, Ahmedabad-C Bench in the case of KantibhaiChaturbhai Patel Charitable Trust Vs. Commissioner of Income Tax (Exemptions) Ahmedabad in ITA No.1300/Ahd/2024 order dated-06/11/2024

e. The Hon'ble Income Tax Appellate Tribunal, Delhi, E-Bench in the case of Mahavar Sabha Rewari Vs Commissioner of income tax Exemption Chandigarh in ITA No.540/Chandi/2024 order dated-12/02/2025

f. The Hon'ble Income Tax Appellate Tribunal, Delhi, C-Bench in the case of Kush Innovative Foundation Vs The Commissioner of Income Tax Exemption New Delhi in ITA No.3456/Del/2024 & 3457/Del/2024 order dated-12/02/2025

g. The Hon'ble Income Tax Appellate Tribunal, Delhi, G-Bench in the case of Sat Shree Lalji Mission Charitable Trust Vs.

Commissioner of income tax Exemption Chandigarh in ITA No.2090 & 2091/Del/2025 order dated-11/06/2025

6. Wherein the delay in filing the application was condoned and matter was restored back to the file of Ld. CIT(A) for afresh adjudication in accordance with law in one of the case title **M/s Rotary Club of Mumbai Soho Charitable Trust Vs. CIT(E) in ITA No. 5041 & 5042/Mum/2025**, the Coordinate Bench of ITAT has dealt with exactly identical issue and the operative portion of the same is reproduced herein below:

8. We have carefully considered the rival submissions, perused the material available on record, and examined the impugned orders in the light of the statutory framework governing registration of charitable institutions. At the outset, it is significant to note that the assessee was admittedly granted provisional registration under section 12A in Form No.10AC, which remained valid up to the assessment year 2024-25. The application in Form No.10AB was filed on 04.11.2024, i.e., before the expiry of the assessment year up to which the provisional registration was operative.

9. Section 12A(1)(ac)(iii) of the Act provides that where a trust or institution has been provisionally registered, it shall apply for regular registration at least six months prior to the expiry of the period of provisional registration or within six months of the commencement of its activities, whichever is earlier. While the provision does prescribe a statutory timeline, it cannot be read in isolation from the administrative clarifications issued by the CBDT from time to time. The Board, acknowledging the transitional difficulties faced by charitable institutions, has issued several circulars extending due dates and clarifying the procedural aspects relating to filing of Forms 10A and 10AB, including the circular dated 25.04.2024. These circulars reflect a conscious legislative and administrative intent to adopt a pragmatic and facilitative approach rather than a rigid or mechanical one.

10. In the present case, the explanation offered by the assessee demonstrates a reasonable and bona fide cause for the delay in filing Form No.10AB. Once such bona fides are established, the authority

vested with the power to grant registration is expected to exercise discretion judiciously and to advance the cause of justice by condoning the delay and examining the application on merits, particularly when the assessee was already enjoying provisional registration under the Act.

11. Coming to the objection relating to the object clause permitting utilisation of funds outside India, it is evident from the record that the assessee has acknowledged the concern raised by the learned Commissioner (Exemptions) and has taken concrete steps to rectify the same by initiating proceedings before the Charity Commissioner for deletion of the said clause. An unequivocal undertaking has also been furnished that no such activity has been undertaken in the past and none is proposed in the future. In such circumstances, denial of registration without affording the assessee an opportunity to place the amended trust deed on record would be contrary to the principles of natural justice and the settled jurisprudence governing grant of registration under section 12AB.

12. It is well settled that at the stage of grant of registration, the scope of enquiry is confined to examination of the objects of the trust and the genuineness of its activities. When the assessee has undertaken to remove the objectionable clause and has initiated the requisite process under the relevant trust law, the matter deserves reconsideration after such amendment is placed on record.

13. In view of the aforesaid discussion, we are of the considered opinion that the impugned orders rejecting registration under section 12AB and approval under section 80G cannot be sustained. The delay in filing Form No.10AB deserves to be condoned, and the application for registration under section 12AB requires to be examined afresh on merits after taking into account the amended objects of the trust, once placed on record.

14. Since the rejection of approval under section 80G is merely consequential to the rejection of registration under section 12AB, the same is also restored to the file of the learned Commissioner (Exemptions) for fresh adjudication in accordance with law, after affording due and reasonable opportunity of being heard to the assessee.

7. We are of the considered view that the impugned orders rejecting of registration u/s 12AB and approval u/s 12AB cannot be sustained. The delay in filing the Form 10AB deserves to be condoned and the application for registration u/s 12AB requires to be examined afresh on merits after providing adequate opportunity of hearing to the assessee.

8. Since the rejection of approval under section 80G is merely consequential to the rejection of registration under section 12AB, the same is also restored to the file of the learned Commissioner (Exemptions) for fresh adjudication in accordance with law, after affording due and reasonable opportunity of being heard to the assessee.

9. In the result both the appeals filed by the assessee stands allowed for statistical purposes.

Order pronounced in the open court on 28.01.2026

Sd/-
(BIJAYANANDA)
ACCOUNTANT MEMBER

Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER

Mumbai, Dated 28/01/2026

KRK, Sr. PS

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

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

आदेशानुसार/BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai