

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

**BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

I.T.A. No. 6262/Mum/2025

Your Neighbourhood Church Association Shop No. 364, Powai Plaza, A Wing, Hiranandani Garden, Powai, Mumbai PAN – AABCY3825B (Appellant)	Vs	CIT(E), Room No. 601, 6 th Floor, MTNL TE Bldg, Pedder Road, Cumballa Hill, Mumbai. (Respondent)
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Assessee by	Shri Ravindran PM
Revenue by	Ms. Kavitha kaushik, Sr. DR

Date of Hearing	21.01.2026
Date of Pronouncement	28.01.2026

ORDER

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

The present appeal has been filed by the assessee challenging the impugned order dt. 25.08.2025 passed under section 250 of the Income Tax Act, 1961 (‘the Act’), by the Commissioner of Income Tax (Exemption), Mumbai.

2. 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 the application for registration of the assessee u/s 12AB of the

Act was rejected on the ground that the trust deed point No. 3(g), 3(h), 3(i) and other object (f) are in violation of provisions of Sec. 11 of the Act as the trust intends to apply / receive funds outside India.

3. In this regard Ld. AR appearing on behalf of the assessee had filed Form MGT / application for approval of alteration in Memorandum of Articles of Association 80(4)(I) of the Companies Act 2013 and submitted that assessee had already removed and amended clause in the Memorandum of Articles of Association as per the provisions of law. It was further submitted that no activity involved in utilization of funds outside India had been carried or proposed to be carried out.

4. On the other hand Ld. DR replied upon by the orders passed by the revenue authorities.

5. After having heard the counsels for both the parties, we found that identical issue had already been decided by the Coordinate Bench of ITAT in the case ***of Rotary Club of Mumbai Sobo Charitable Trust Vs. CIT(E), in ITA No. 5041 & 5042/Mum/2025, order dated 06.01.2026*** 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.

6. After having gone through the facts of the present case and dealing with the objection relating to the object clause permitting utilization of funds outside India, it is evident from the records that the assessee had acknowledged the concern raised by the Ld. CIT(E) and had already under taken concrete steps to rectify the same by initiating the proceeding before the competent authority for deletion of said clause. However an unequivocal undertaking has also been furnished that no such activity had 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 principles of natural justice and the settled jurisprudence governing grant of registration u/s 12AB of the Act. Therefore while adhearing to the doctrine of binding

precedents that the impugned order rejecting registration u/s 12AB of the Act is not sustainable thus matter is restored back to the file of Ld. CIT(E) to examine afresh on merits after taking into consideration the amended objects of the trust once placed on record and to pass afresh order in accordance with law. Needless to say, that assessee be given reasonable opportunity of being heard to substantiate his claim before Ld. CIT(E). The assessee shall not seek any adjournment on frivolous grounds and shall remain cooperative during the course of proceedings.

7. 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.

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

Order pronounced in the open court on 28/01/2026.

Sd/-
(BIJAYANANDA PRUSETH)
(ACCOUNTANT MEMBER)

Sd/-
(SANDEEP GOSAIN)
(JUDICIAL MEMBER)

Mumbai:
Dated: 28/01/2026

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