

**IN THE INCOME-TAX APPELLATE TRIBUNAL, MUMBAI 'F' BENCH, MUMBAI
BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER AND
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER
ITA No. 5081/MUM/2025(AY: 2025-26)**

Jain Darshan Swadhyay Sangh. A-Aidun Building, 1 st Dhobi Talao Lane, Dhobi Talao, Mumbai-400002.	vs.	Commissioner of Income Tax (Exemptions), Mumbai. Room No.601, 6 th Floor, Cumballa Hill MTNL TE Building, Pedder Road, Dr. Gopalrao Deshmukh Marg, Cumballa Hill, Mumbai-400026.
PAN/GIR No:AABTJ2477R		
(Appellant)		(Respondent)
Appellant by	Shri Jitendra Singh, Advocate	
Respondent by	Shri Vivek Perampurna (CIT-DR)	
Date of Hearing	20.01.2026	
Date of Pronouncement	16.02.2026	

ORDER

PER BIJAYANANDA PRUSETH, AM:

This appeal filed by the assessee emanates from the order passed by the CIT (Exemptions), Mumbai dated 23.06.2025. The CIT(E) rejected the application in Form No.10AB under Clause (iii) of 1st proviso to 80G(5) seeking approval u/s 80G of the Act.

2. The grounds of appeal raised by the revenue are as under:

1. *"The Ld. Commissioner of Income Tax (Exemption) (herein referred as Ld CIT(Exemptions), Mumbai erred in passing the order dated 23.06.2025 rejecting the application for approval under section 80G of the Income-tax Act, 1961 (the Act) without appreciating that the Appellant fulfills all the conditions enumerated under clause (iii) of 1st proviso to section 80G(5) of the Act. The Appellant, therefore, prays that rejecting the application filed for approval under section 80G of the Act is not at all*

justified and accordingly, the Ld. CIT(E) may be directed to grant approval under section 80G to the Appellant trust.

2. *The Id. CIT (Exemptions), Mumbai fell in error of law in rejecting the application for approval under section 80G of the Act for alleged violation of provision of section 80G(5B) of the Act without appreciating that the Appellant is not a religious trust and therefore, the expenses incurred on religious activities is without the permissible limits provided under section 80G(5B) of the Act. Hence, the Ld. CIT (Exemption) is not at all justified in rejecting the application for approval under section 80G of the Act and therefore, the Ld. CIT(E) may be directed to grant approval under section BOG to the Appellant trust.*
3. *The Appellant denies any liability to pay interest under section 234B and 234C of the Act. Hence, the same are not leviable.*
4. *The Appellant craves leave to add, alter, amend, delete, rescind, or withdraw any of the grounds of appeal mentioned hereinabove.*

3. Facts of the case in brief are that the assessee trust filed an application in Form 10AB under clause (iii) of the 1st proviso to Section 80G(5) of the Act seeking approval u/s 80G of the Act. The CIT(E), on verification, found that the application was not complete and all documents required were not furnished and hence, he issued a notice, which was replied to by the assessee vide letter dated 07.04.2025. On going through the details, the CIT(E) noticed that the expenditure incurred by the assessee on religious activities was more than 5%, which violates provisions of u/s 80G(5B) of the Act. The application was also filed beyond the time allowed under the Act. It was filed on 26.11.2024 in lieu of September, 2023. The assessee stated the delay was unintentional and due to lack of awareness of specific timelines. Regarding violation of the provisions of Section 80G(5B) of the Act, it was submitted that the religious expenses were

nominal and within the permissible limit u/s 80G(5B) of the Act. The CIT(E) did not find the explanation of the assessee acceptable because it had filed the application on 26.11.2024 instead of the extended period upto 30.06.2024. The reasons given by the assessee was not considered as a reasonable cause for the delay. Ignorance of law cannot be pleaded as defence or valid excuse. The CIT(E) also found from the audited financial statements submitted by the assessee that the percentage of religious expenses were 20.70% and 34.60% for AYS 2023-24 and 2024-25 respectively. The religious expense was, therefore, more than 5% of the total income, which is a violation of the provisions of the 80G(5B) of the Act. Regarding violation of provisions of Section 11 of the Act, the assessee stated that it had started the process of amending the relevant clause but no details were provided to the CIT(E). Therefore, the application was rejected for late filing of the application and violation of provisions of Sections 11 and 80G(5B) of the Act.

4. Aggrieved by the order of the CIT(E), the assessee has filed the appeal before the Tribunal. The Ld. AR of the assessee filed a paper-book enclosing therein the details of trust deed, incorporation certificate, approval in Form No.10AC issued u/s 12AB and 80G(5) and submission made before the CIT(E). He also filed an affidavit by Shri Mayank Jaswantlal Shah, trustee of the appellant wherein it is submitted that the assessee trust was granted registration u/s 12A

vide Form 10AC order dated 24.09.2021 which was valid for 5 years from AY 2022-23 to 2026-27. The trust also received provisional registration u/s 80G vide order dated 17.03.2022, which was valid from 24.03.2022 to AY 2024-25. The CBDT extended the due date for filing application for final approval u/s 80G to 30.06.2024. It is also submitted that the trust had instructed the tax consultant to look after the registration matter before the specified authority. However, the consultant was under mistaken belief that approval granted u/s 12A was provisional approval u/s 80G. When the appellant enquired in November 2024 about the status of the application u/s 80G, the consultant realized his mistake and filed the impugned application for approval on 26.11.2024, which was delayed by 148 days. It is, therefore, submitted that the delay was unintentional and not because of any mala fide intention. Hence, the Ld. AR request to condone the delay. He also submitted that the expenditure of religious nature is less than 1% but the CIT(E) did not examine the details filed by the appellant and erroneously held that it was more than 5% of the total income. He requested that the appellant may be given one more opportunity to plead its case on merit before the CIT(E).

5. On the other hand, the Ld. CIT (DR) of the revenue supported the order of the CIT(E). He would, however, have no objection if the matter is restored to the file of CIT(E) for verification and fresh decision.

6. We have heard both parties and perused the materials on record. We have also gone through the relevant provisions of the fact. There is no dispute that the application for regularization of the provisional approval obtained u/s 80G dated 24.03.2022 was filed on 26.11.2024. The due date for the same application was 30.06.2024. Hence, there was delay of 148 days. The reason given by the appellant in the affidavit of the trustee is that the tax consultant was under mistaken belief that the approval u/s 12A was the approval u/s 80G of the Act. The Ld. CIT (DR) has not opposed the request of the appellant to condone the delay of 148 days in filing the application. Hence, the delay is condoned and the appeal is admitted on merit.

7. On merit, the CIT(E) has held that the appellant incurred religious expenses of Rs.4,38,000/- (20.70%) and Rs.9,67,190/- (34.60%) for AYs 2023-24 and 2024-25 respectively. The Ld. AR submitted that the details furnished by the appellant were not properly examined by the CIT(E) and the findings given by him is not correct. The expenditure on religious activities was less than 1% of the total income. He requested to grant another opportunity so that he could satisfy the CIT(E) with further details to prove that the expenditure for religious purpose was nominal and less than 1% of total income. The CIT(DR) also agreed that the matter may be restored to the file of CIT(E) for due verification and fresh decision. After considering submissions of both sides, we deem it proper

to set aside the order of CIT(E) and restore the matter back to him for fresh examination of the details submitted by the appellant. The CIT(E) may call for further details as deemed fit by him. The appellant is directed to furnish necessary details by not seeking adjournment without valid reason. Accordingly, the grounds are allowed for statistical purpose.

8. In the result, the appeal of the assessee is allowed for statistical purpose.

Order is pronounced on 16.02.2025

Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER

Sd/-
(BIJYANANDA PRUSETH)
ACCOUNTANT MEMBER

***Aniket Chand; Sr. PS**

MUMBAI

Date: 16.02.2026

Copy of the Order forwarded to:

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, MUMBAI
6. Guard File

ByOrder

Assistant Registrar
ITAT, MUMBAI