IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'C', NEW DELHI

Before Sh. Raj Kumar Chauhan, Judicial Member
&
Sh. Amitabh Shukla, Accountant Member

ITA No. 5582/Del/2026
ITA No. 5583/Del/2026

Oxonian India Foundation, E-20, 1st& 2nd Floor, HauzKhas, New Delhi-110016	Vs	CIT(Exemptions), Civic Centre, Minto Road, New Delhi-110002
(APPELLANT)		(RESPONDENT)
PAN No. AACCO2111R		

Assessee by: Sh. Sh. Arjun Raghvendra, Adv.,
Sh. Akshay Rana, Adv.,
Ms. Khush preet, Adv. &
Sh. Shaurya Veer Singh Kapoor, Adv.
Revenue by: Sh. Vikram Singh Sharma, CIT-DR

Date of Hearing: 03.09.2026		**Date of Pronouncement: 25.09.2026**

ORDER

Per Raj Kumar Chauhan, Judicial Member:

The appeals are directed against the order of the Ld. CIT(E), Delhi, dated 25.03.2026, wherein the application for registration u/s 12A(1)(ac)(ii) of the Act, filed by the applicant on 25.08.2025 alongwith request to the approval u/s 80G of the Act in ITA Nos. 5582 & 5583/Del/2026, respectively has been rejected in the absence of registration u/s 12AB of the Act.

2. By this common order, we propose to decide the ITA Nos.5582 & 5583/Del/2026 as the parties are same and factual matrix is also same and in order to avoid multiplicity of

decision, the same are being disposed off accordingly. ITA No. 5582/Del/2026 is taken as lead case.

3. Fact in brief as culled out from the orders of the authorities below are that the Appellant Oxonian India Foundation ("OIF"),is a non-profit company incorporated on 18.09.2015u/s 8 of the Companies Act, 2013 with the object of promoting education, research, training, skill development and higher education. One of the objects in particular is providing scholarship tenable at Oxford University or Somerville College, sporting Rhodes trust scholars and providing aids &financial assistance to the students for higher education in India or abroad.Thus, the objects of the appellant from inception clearly contemplated providing educational assistance to Indian students pursuing higher education outside India. Since, inception, the appellant has sponsored various Indian students for higher education under its scholarship program associated with Somerville College, Oxford University.

4. The appellant was initially granted registration u/s 12A of the Act on 20.05.2016 w.e.f. from A.Y. 2016-17 and approval u/s 80G of the Act from A.Y. 2016-17 onwards. Thereafter, registration u/s 12A(1)(ac)(i) and approval u/s 80G of the Act was granted on 24.09.2021 for the period covering A.Y. 2022-23 to A.Y. 2026-27. Thus, the appellate has been recognized by

the Income Tax Department as a charitable institution for a substantial period and has continuously undertaken activities in furtherance of its charitable objects i.e., education. For continuation/renewal registration from A.Y. 2027-28 onwards,the appellant filed an application in Form No. 10AB on 25.08.2025 seeking registration u/s 12AB(1)(ac)(ii) of the Act.The appellant also filed application dated 04.09.2025 in Form No. 10AB seeking approval u/s 80G of the Act. Both these applications for registrationu/s 12AB and approval u/s 80G has been rejectedprimarily on the grounds that there is violation of section 11(1)(c) of the Act and further that there is violation of section 13(1)(c) of the Act becausethe decision making of short listing and selectingthe eligible students for scholarship is being done by Somerville College (a foreign entity) and that the appellant has incurred consultancy and professional expenditure respectively, therebyallegedly attracting section 11(1)(c) and section 13(1)(c) of the Act.

5. Aggrieved by the impugned order, the assessee is in appeal and has raised following grounds:

<u>ITA No. 5582/Del/2026:</u>

"1) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) on basis of erroneous interpretation of law and facts. Grant of scholarship to an Indian student pursuing education abroad does not amount to violation of section 11 (1)(c), as the ultimate beneficiary remains an Indian national.

2) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) by not considering that payments to specified/related persons is a subject matter of verification by AO during assessment proceedings and not at the time of registration or renewal. Section 13 of the Act does not, either expressly or by implication, empower the rejection or cancellation of registration under section 12AB.

3) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) by alleging that same beneficiary is given more than one scholarship. In the alleged instance DrNavyaJannu pursued Bachelor of Civil Law (BCL) in 2016 which is a 10 months graduate course at University of Oxford and after that shepursued Master of Philosophy (Mphil) in Law in 2017 which is a 12 months research master's, often taken after Bachelor of Civil Law.

4) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) by ignoring the fact that at the stage of granting registration , it is only required to examine the objects of the trust.

5) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) by ignoring the fact that the objects of the trust are same as at the time of previous approvals granted.

6) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the application u/s 12A(1)(ac)(ii) without considering the fact that assessment u/s 143(3) for AY 2018-19 was completed without taking any adverse view against the assessee.

7) The Ld. CIT(Exemption) erred in law and on facts in not appreciating that the scholarship amounts were directly disbursed to the respective bank accounts of the beneficiaries in India, thereby constituting valid application of income for charitable purposes in accordance with the provisions of Section 11 of the Income-tax Act, 1961.

8) The Ld. CIT(Exemption) erred in law and on facts in not appreciating the fact that most of the scholarship beneficiaries have returned to India after completion of their studies and are presently working in thearea of their professional interest, thereby *furthering the charitable and educational objective of the Trust.*

9) The learned CIT(Exemption) failed to appreciate that "education" per se constitutes a charitable purpose within the meaning of Section 2(15) of the Income-tax Act, 1961 and there is no statutory requirement under Sections 12A/12AB requiring scholarship schemes to be restricted only to economically weaker sections.

10) The Ld. CIT(Exemption) erred in law and on facts in failing to appreciate the fact that the Oxonian India Foundation, provides only partial scholarships, whereby a portion of the educational expenses isrequired to be borne by the respective beneficiaries themselves."

ITA No. 5583/Del/2026:

"1) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) on basis of rejection of registration u/s 12A(1)(ac)(ii).
2) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) on basis of erroneous interpretation of law and facts. Grant of scholarship to an Indian student pursuing education abroad does not amount to violation of section 11(1)(c), as the ultimate beneficiary remains an Indian national.

3) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) by not considering that payments to specified/related persons is a subject matter of verification by AO during assessment proceedings and not at the time of registration or renewal. Section 13 of the Act does not, either expressly or by implication, empower the rejection or cancellation of registration under section 12ABand approval u/s 80G.

4) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) by alleging that same beneficiary is given more than one scholarship. In the alleged instance DrNavyaJannu pursued Bachelor of Civil Law (BCL) in 2016 which is a 10 monthsgraduate course at University of Oxford and after that she pursued Master of Philosophy (Mphil) in Law in 2017 which is a 12 months research master's, often taken after Bachelor of Civil Law.

5) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) by ignoring the fact that at the stage of granting registration , it is only required to examine the objects of the trust.

6) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) by ignoring the fact that the objects of the trust are same as at the time of previous approvals granted.

7) The Ld. CIT(Exemption) has erred both on facts and in law in rejecting the approval u/s 80G(5)(ii) without considering the fact that assessment u/s 143(3) for AY 2018-19 was completed without taking any adverseview against the assessee.

8) The Ld. CIT(Exemption) erred in law and on facts in not appreciating that the scholarship amounts were directly disbursed to the respective bank accounts of the beneficiaries in India, thereby constituting valid application of income for charitable purposes in accordance with the provisions of Section 11 of the Income-tax Act, 1961.

9) The Ld. CIT(Exemption) erred in law and on facts in not appreciating the fact that most of the scholarship beneficiaries have returned to Indiaafter completion of their studies and are presently working in the area oftheir professional interest, thereby furthering the charitable and educational objective of the Trust.
10)The learned CIT(Exemption) failed to appreciate that "education" perse constitutes a charitable purpose within the meaning of Section 2(15) of the Income-tax Act, 1961 and there is no statutory requirement under Sections 12A/12AB/80G requiring scholarship schemes to be restricted only to economically weaker sections.

11)The Ld. CIT(Exemption) erred in law and on facts in failing to appreciate the fact that the Oxonian India Foundation, provides only partial scholarships, whereby a portion of the educational expenses is required to be borne by the respective beneficiaries themselves."

6. We have heard the ld. AR and the ld. DR. The ld. AR has made various arguments regarding the impugned order as under:

a. Firstly, that there is no adverse finding in the impugned order regarding the objects of the appellant being not charitable and that there is no finding that the activities of the appellant are sham, fictitious, non-genuine or outside its stated objects.

b. Secondly, the rejection of the application is primarily on the alleged issue relating to application of income u/s 11(1)(c) and section 13(1)(c) of the Act wherein the Assessing Officer has committed illegality by entering the arena of assessment which is not the requirement or consideration forgranting registration u/s 12AB of the Act.

c. Thirdly, ld. CIT(E) power to conduct inquiry is restricted to inquire genuineness of the activity of the trustand objects of the trust and its compliance with any other law as required to meet those objects. Therefore, the ld. CIT(E) ought to have restricted his inquiry to the genuineness of the appellantcharitable activity and the objects of the trust. Therefore, rejecting the application on the ground of violation of section 11 and section 13 of the Act is beyond the scope of inquiry or jurisdiction of the ld. CIT(E).

d. Fourthly, the registration granted to the trust can be cancelled as per section 12A(4) of the Act, if there are specified violations as defined under the explanation to sub-section of section 12AB(4) of the Act. Therefore, any inquiry into the application of trust income can only be done within the parameters of section 12AB(4) after the registration is granted and not otherwise.Reliance has been placed on the Judgment of the Hon'ble Allahabad High Court in Fifth Generation Education Society vs. CIT (1990)185 ITR 634 (All.).

e. Fifthly, section 11(1)(c) of the Act can be attracted only when the trust applied income to charitable purpose outside India that the income applied by giving scholarship to the Indian students in India does not imply that the income has been applied to the charitable purpose outside India. Hence, there is no violation of section 11(1)(c) of the Act. It is further submitted that the income is being spent on the Indian beneficiary by way of transfer to their Indian bank account in rupees and as such section 11(1)(c) is not attracted.

f. Sixthly, that the situs of the beneficiaries' expenditure does not determine the situs of the appellant's application of income because the appellant does not itself carry on any educational activity in United Kingdomas it has not established or operates any institution abroad and has not made any payment to a foreign university. That the charitable activity consists solely of supporting Indian students in India for obtaining higher education. The ld. AR has relied the case of Delhi jurisdictional Bench in the Oxford and Cambridge Society of India vs. CIT(E) [2026 (7) TMI 304] where similar application was rejected by CIT(E)u/s 12AB on the ground that scholarship granted to Indian students for postgraduate studies at Oxford and Cambridge were ultimately utilized in the United Kingdom and as thus constituted violation of section 11(1)(c) but the said view of the ld. CIT(E) was rejected by the Hon'ble Tribunal. The Hon'ble Tribunal has held that admittedly the situs of disbursement of scholarship is within India and the assessee seems to be paying the scholarship in India directly to scholars or their guardians in India in Indian currency and no amount is remitted to UK or any foreign institution and thus, student subsequently travelling abroad does not convert a domestic disbursement into a foreign application of funds. Further reliance has been placed on various judgments: Jhaverbhai Patel Research Centre Vs. CIT(E) [2026 (1) TMI 1646], J. N. Tata Endowment for Higher Education of Indians [2024 (9) TMI 144], R. Mangaldas Charitable Trust Vs. CIT(E) [2025 (10) TMI 1433], Jamsetji Tata Trust Vs.

Jt. DIT(E) [2014 (5) TMI 890 and Mandke Foundation Vs. CIT(E) [2026 (7) TMI 785].

g. Seventhly, that the appellate was granted registration u/s 12AA of the Act on 20.05.2016 w.e.f. from 2016-17 and was again granted registration u/s 12A(1)(ac)(i) on 24.09.2021 for A.Y.2022-23 to A.Y. 2026-27.In this case, upon the very same objects and the very same scholarship activity and the assessment for A.Y.2018-19u/s 143(3) of the Act was completed without any adverse view on the scholarship activity or any application of fund outside India or on any benefit to a specified person. Thus, the charitable character of the appellant and its scholarship model are therefore, a fundamental aspect that has been accepted by the department across successive years.Since, there is no change in the objects or the charitable activity being carried out hence the denial of the registration and approval u/s 80G of the Act is arbitrarily illegal and needs to be set aside and assessee needs to be granted registration u/s 12AB and approval u/s 80G of the Act.

7. The ld. DR, on the other hand, while relying the order of the ld. CIT(E) has submitted that the impugned order is perfectly legal and permission has been rightly rejected.

8. We have considered the rival submissions and examined the material available on record. On the basis of factual matrix and the arguments advanced before us, the following points of consideration emerges as under:

i. Whether spending of income of the trust on the scholarship to the Indian citizens for education abroad and remitting of the amount in India in Indian currency is beyond the objects of the charitable activity of the trust or not?

ii. Whether the CIT(E) need to examine the application of the income of trust u/s 11(1)(c) of the Act at the time of considering the registration u/s 12AB and approval u/s 80G of the Act?

9. We now proceed to decide the above points as under:

Point No. 1 It has been argued that primary object of the trust includes education, and spending on the scholarship to the Indian citizens for studying abroad.The said activity carried in respect of above aspect and has been accepted regularly by the Income Tax Department and nothing adverse has been observed during the assessment u/s 143(3) of the Act for A.Y. 2016-17 and the applicant trust was duly registered u/s 12AB alongwith approval u/s 80G of the Act by order dated 24.09.2021 for the period covering A.Y. 2022-23 to A.Y. 2026-27. We have noticed that similar activity which is questioned in the impugned order was being carried out when the previous two registration and approval were granted u/s 12AB and u/s 80G respectively by the Income Tax authority. There is no change in spending income of the assessee trust on giving scholarship for studying abroad to the Indian students remitting the amount in India.

10. While rejecting application u/s 12AB, the ld. CIT(E) has observed at page 5 onwards as under:

> *"On perusal of the replies of the applicant, it is observed that the funds in the form of scholarships are being transferred to students in India which are ultimately being applied for studies abroad. Further, the decision making of shortlisting and selecting the eligible students for scholarship is being taken by Somerville College (a foreign entity).*
>
> *Therefore, the scholarships are being given to students being fully aware that they will be pursuing studies from a foreign university and the decision making of selecting the eligible candidates are also taken by a foreign entity. The funds, ultimately are being applied outside India without taking prior permission of the competent authority in violation of section 11(1)(c) of the Income Tax Act, 1961.*
>
> *6.2 Genuineness of charitable intent- The selection process also doesn't consider any financial/economic criteria of the beneficiaries; therefore, it cannot be ascertained that the beneficiaries have limited means and are actually in need of the scholarships. It has also been observed from an instance that the same beneficiary is given more than one scholarship for pursuing different courses. Such an instance has been mentioned below:*
>
> *Dr. NavyaJannu- Bachelor of Civil Law (BCL) in 2016 and Master of Philosophy (MPhil) in Law in 2017 from Oxford University, U.K. were supported by Oxonian Foundation.*
>
> *6.3 Violation of section 13(1)(c) of the Income Tax Act, 1961- On perusal of the bank statements of the organization, it was observed that a considerable amount*

of payment was being made in the form of "Consultancy & Professional Fees" in F.Y. 2022-23 to F.Y. 2024-25 which has been tabulated below:

F.Y.	*Amount spent on activities-scholarship (INR)*	*Expenses-Consultancy & Professional Fees (INR)*
2022-23	*23,25,360*	*18,86,490*
2023-24	*60,19,190*	*25,72,160*
2024-25	*1,25,20,000*	*27,24,390*

It was noticed that the expenses in the form of consultancy & professional fees were made to the following 2 entities:

- *M/s Canta Consultants LLP- wherein Mr. ShashankVira (director of M/s Oxonian India Foundation) is the designated partner.*
- *M/s Perfect Accounting & Shared Services Private Limited*

  The assessee vide letter/notice dated 13.12.2025 was asked the following-

  "3. Please provide the details of Consultancy & Professional fees claimed from FY 2022-23 to FY 2024-25 along with relevant bills. Also provide the services availed from these consultants.

  4. Please provide justification of claiming substantial amount of expenses on Consultancy & Professional fees.

  5. On perusal of your bank statement, it is observed that payments are being made to M/s Canta Consultants LLP wherein Mr. ShashankVira (specified person) is a director/designated director. Kindly explain how the payment is not for the benefit of a person specified in section 13(1)(c) of the Income Tax Act, 1961".

The assessee vide its reply dated 18.12.2025 stated that "In order to operate in a compliant, transparent, and professionally governed manner, the Company is required to adhere to multiple statutory, regulatory, and fiduciary obligations under various laws. Accordingly, professional expenses have been incurred for the following essential services" and that Oxonian India Foundation "has availed professional and advisory services from Canta Consultants LLP in connection with the managing the charitable operations of the OF including identification of scholarship and education opportunities". Further, the *applicant has denied that the payments made is for the benefit of a specified person u/s 13(1)(c) of the Income Tax Act, 1961.*

The assessee's claim of consultancy and professional fees is rejected for the following reasons: The assessee incurred expenses in the form of consultancy and professional fees to M/s Canta Consultants LLP and M/s Perfect Accounting & Shared Services Private Limited. Mr. ShashankVira, a Director of Oxonian India Foundation, is the designated partner of M/s Canta Consultants LLP, raising concerns under Section 13(1)(c) of the Income Tax Act, 1961. Notably, M/s Canta Consultants LLP and M/s Perfect Accounting & Shared Services Private Limited share the same registered address: E-20, 1st & 2nd Floor, HauzKhas, New Delhi, Delhi, India - 110016, casting further doubt on the genuineness of the expenses on consultancy & professional fees.

In view of the above, the reply furnished is not tenable, and the payments to Canta Consultants LLP appear to benefit a specified person, violating Section 13(1)(c) of the Income Tax Act, 1961.

7. In view of the above discussions, it is evident that there is violation of section 13(1)(c) and section 11(1)(c) of the Income Tax Act, 1961. Further, no financial/economic criteria are considered before scholarships are awarded to beneficiaries which cast a doubt on the charitable nature of the activities carried out by the applicant. Therefore, the application filed in Form 10AB for grant of registration u/s 12A(1)(ac)(ii) is rejected for further renewal from A.Y. 2027-28 onwards."

11. It is thus clear that the ld. CIT(E) was swayed while rejecting the application due to the fact that the amount on scholarships though being transferred to students in India, but is ultimately being applied for studies abroad. In that regard, the ld. AR has relied upon the case of Delhi Tribunal in Oxford Cambridge Society India Vs. CIT(E)(supra) wherein the Hon'ble jurisdictional Tribunal in para 3 onwards has decided as under:

3.0 We have considered the rival submissions and have gone through the records before us. The primary issue to be decided is whether disbursing scholarships in India, to

Indian students for studies at a foreign university constitutes application of income "outside India" under Section 11(1)(c), justifying denial of 12A/80G registration. Admittedly the situs of disbursement of the scholarship is within India, as the assessee is seen to be paying the scholarships in India directly to scholars or their guardians in India, in Indian currency. No amount is remitted to the UK or to any foreign institution. We need also to consider the language of section 11(1)(c) of the Act:

> *"Income from property held for charitable or religious purposes.*
>
> *11. (1) Subject to the provisions of sections 60 to 63, the following income shall not be included in the total income of the previous year of the person in receipt of the income—*
>
> *…………………*
>
> *(c) income derived from property held under trust—*
>
> *(i) created on or after the 1st day of April, 1952, for a charitable purpose which tends to promote international welfare in which India is interested, to the extent to which such income is applied to such purposes outside India, and*
>
> *(ii) for charitable or religious purposes, created before the 1st day of April, 1952, to the extent to which such income is applied to such purposes outside India:*
>
> *Item number*
>
> *Provided that the Board, by general or special order, has directed in either case that it shall not be included in the total income of the person in receipt of such income; ……..."*
>
> *Thus, it needs to be inferred that section 11(1)(c) of the Act is not attracted as the bar would apply to income applied "for purposes outside India". A student subsequently travelling abroad does not convert a domestic disbursement into a foreign application of funds. The assessee is not found paying anything to Oxford, Cambridge, or any overseas institution.*

3.1 Three ITAT precedents all directly on point, all in favour of the assessee deserve to be mentioned:

1. Jhaverbhai Patel Research Centre v. CIT(E), 183 taxmann.com 366 (ITAT Mumbai, 27.01.2026): INR payment in India to Indian citizen for overseas study assistance "outside India": Section 11(1)(c) not attracted. The relevant portion deserves to be extracted as under:

> *6. We have considered the rival submissions perused the material available on record. Admittedly in present case the application of assessee in Form 10AB was furnished with a delay of 38 days for which it is submitted by the assessee that the order was served to them on 17.01.2025 and the application was filed within 30 days from receipt of the said order. Regarding the issue of delay Hon'ble Bombay High Court in the case of Columbia Global Center in India vs The Income Tax Officer (Exemptions) on 7 October, 2025, WRIT PETITION (L) NO. 23170 OF 2025, had held that, "the approach of the authority ought to be equitious, balancing and judicious and availing of exemption should not be denied merely on the bar of limitation. This is more so when the Legislature has, under Section 119(2)(b) of the Act, conferred discretionary powers to condone the delay on the authorities concerned with a view to avoid genuine hardship.", we, thus, are of the opinion that, the delay of 38 days, that too explained, to be on account of delay in receipt of Order from Charity Commissioner, the assessee should not be penalized for that, even otherwise the authority needs to adopt a liberal and justice oriented approach to while condoning the delay. We this direct to condone the delay in filing of for 10AB in present case.*
>
> *7. On other issues, which forms the belief of Ld. CIT(E) to reject the application of assessee, that the payment in India for study outside India does equate to payments / expenses incurred outside India, does not inspire any confidence, particularly when the scholarship is granted to an Indian citizen in Indian rupees. This issue was decided ITAT Mumbai in the case of R. Mangaldas Charitable Trust, Mumbai Vs. CIT(E) (supra), observing that, "if the scholarship is granted by a charitable institution in accordance with their objects, whereby such financial assistance is provided in India in Indian rupees and that too, to Indian student, such application of income will happen for educational purposes in India. The financial assistance so provided will be utilized by students*

> *for abroad cannot be read and understood as providing financial assistance outside India and consequent upon application of income outside India. Assessee trust also taken necessary steps to amend the objects of trust to put at rest any doubts in this respect." The facts of the present matter, being identical to facts of aforesaid case of R. Mangaldas Charitable Trust (supra), in absence of any distinguishing fact, we find no merits in the decision of Ld. CIT(E) in treating the grant of financial assistance to Ms. Annushree Ajit Kumar in India, to be an expenditure incurred outside India. We, thus, direct the same to be treated as a permissible action by the trust and not in violation of section 11(1)(c) of the Act. A similar issue raised in the appeal in ITA 7006/Mum/2013 in the case of Jamsetji Tata Trust Vs. JCIT(E), Mumbai vide order dated 26.03.2014 (supra), the tribunal holds that, education grant given to the Indian students in India for education / higher education abroad fulfils the conditions of application of money for such purpose in India."*

Similar findings on virtually identical facts are observed in the cases of J N Tata Endowment, reported in 166 taxmann.com 126 (Mumbai, dated 24.07.2024); and in the case of R Mangaldas Charitable Trust, reported in 180 taxmann.com 190 (Mumbai, dated 31 10.2025). Thus, we unhesitatingly hold that merely on the basis that scholarships are provided to candidates for aiding in their higher education pursuits at Oxford/Cambridge would not constitute any violation of the conditions laid down in section 11(1) of the Act. Nor would this activity be non-charitable in nature. We also find that all substantive conditions for registration u/s 12A/80G of the Act are satisfied as we see the assessee adhering to charitable objects-education, a long 40-year history of charitable activity, audited accounts and Form 10BB having been filed. We accordingly direct that registration u/s 12A must be granted forthwith.

3.1 Regarding the issue of registration u/s 80G of the Act, we find that the application in that regard has been rejected on the ground that the registration u/s 12A of the Act has been rejected. Since we have directed grant of registration u/s 12A of the Act supra, we direct that the assessee should be allowed registration u/s 80G of the Act as well.

4.0 Accordingly, the assessee succeeds with respect to both the appeals, which thus stand allowed."

12. Further, reliance has been placed by the ld. AR on the following cases:

- *Jhaverbhai Patel Research Centre Vs. CIT(E) [2026 (1) TMI 1646]*
- *J. N. Tata Endowment for Higher Education of Indians [2024 (9) TMI 144]*
- *R. Mangaldas Charitable Trust Vs. CIT(E) [2025 (10) TMI 1433]*
- *Jamsetji Tata Trust Vs. Jt. DIT(E) [2014 (5) TMI 890*
- *Mandke Foundation Vs. CIT(E) [2026 (7) TMI 785].*

13. Admittedly, there is no dispute that the funds are being utilized on the scholarships to the Indian students and amount is also being remitted in India through banks in Indian currency. There is nothing contrary in the impugned order which may show that the said activity is not covered within the objects of the trust as one of the primary object of the trust is 'education'. Therefore, respectfully relying upon the case of judicial tribunal, we are of the considered opinion that the ld. CIT(E) has unjustifiably denied the registration on the ground that scholarship amount is being utilized for the studies of Indian students abroad and further that the selection criteria of the scholarship is not transparent and justified. The point No. 1 is accordingly decided in favour of the assessee and against the Revenue.

14. **Point No. 2**, it has been argued on behalf of the assessee/appellant that questioning the utilization of the amount allegedly in violation of section 11(1)(c) and section 13(1)(c) is an attempt on the part of the ld. CIT(E) to enter the

arena of assessment because the said aspects can always be considered and looked into during the assessment proceedings in case any violation of the rules/objective of the trust regarding utilization of the funds/income is noticed during the assessment proceedings.In that regard, the ld. AR has argued that the ld. CIT(E) has wrongly invoked the alleged breach of section 13(1)(c) while refusing registration because the said aspect can only be examined at the stage of assessment. It is further submitted that the provision operates on the income of a previous year which can only be examined in the assessment for that year and as such it cannot be a condition of registration u/s 12AB and cannot thereby be invoked to refuse registration. The ld. AR has relied on the case of Delhi Tribunal in Pista Devi Education Society Vs. CIT(E) [2026 (5) TMI 993] (ITAT Delhi) wherein in para 9, the Hon'ble Tribunal observed as under:

> *"9. We have gone through the provisions of the Act and notes that Section 13 has no application at the stage of grant of registration u/s 12 AB of the Act. The provisions of section 13 of the Act are intended solely to regulate and restrict the availability of exemption u/s 11 and 12 of the Act at the time of computation of total income of a charitable trust or institution. Section 13 of the Act merely provides for circumstances under which exemption otherwise allowable u/s 11 and 12 of the Act shall not be granted to the extent income is applied or used for the benefit of interested persons. The said provision, therefore, operates only after registration is granted and only at the assessment stage, when exemption u/s 11 and 12 of the Act is claimed is claimed. It is pertinent to note that section 13 of the Act does not, either expressly or by implication, empower the rejection or cancellation of registration u/s 12AB of*

> *the Act. The scope of examination at the time of grant of registration u/s 12AB of the Act is confined to the objects of the trust and the genuineness of its activities, and not to the application or alleged misapplication of income, which is a matter to be examined by the Assessing Officer during assessment proceedings."*

15. The ld. DR, on the other hand, argued that the utilization of the funds by the trust is in violation of section 13(1)(c) and as such the trust was not eligible for the exemption u/s 11(1)(c). The ld. DR has relied the case of Hon'ble Delhi High Court i.e. Director of Income Tax (Exemption) Vs. Charanjiv Charitable Trust (2014) 43 taxmann.com 300 (Del.).

16. We have noticed that the said judgment of the Hon'ble Delhi High Court is having distinct facts as it primarily dealt with deduction by way of application of income etc.which otherwise is the area pertaining and relevant to the assessment proceedings and cannot be made a ground of rejection of registration u/s 12AB of the Act. We have also noticed that the Hon'ble jurisdictional Tribunal in the case of Om Welfare Society Vs. CIT(E) in ITA Nos. 8278 & 8279/Del/2025 has also discussed the similar issue and decided the issue in favour of the assessee directing registration of u/s 12AB of the Act. The relevant finding in that regard contained in para 10 & 11 is extracted below as under:

> *"10. Further, the Hon'ble Punjab & Haryana High Court in the case of Yadvindra Public School Association (supra) had relied on the decision of Hon'ble Supreme Court in the case of Ananda Social & Educational Trust case. We observed that the similar view was expressed by the*

various courts that at the time of granting registration, ld. CIT(E) has to satisfy himself on the objects of the trust and genuineness of the activities, he cannot extend himself to the shoes of the Assessing Officer. At this stage if any activities carried on by an institution which is charitable in nature and its activities are genuine, unless there is any deviation which are not considered to be charitable, the relevant expenditure to the extent of non-charitable activities, the same can be disallowed at assessment stage. In the present case, looking at the substantial activities carried on by the assessee to impart the education merely on certain deviation of funds to other institution which are interest bearing funds, that itself cannot be the reason to reject the registration. The competent authority has to verify only charitable objects and its activities in terms of case objects to grant registration and should not indulge in finding reasons to reject the applications for grant of registration. Therefore, in our considered view the assessee has been granted registration over the years and it deserves to be granted registration therefore, we direct the ld. CIT(E) to grant registration and if there is any deviation, the Assessing Officer may be directed to do the needful at the assessment stage. Therefore, we are inclined to direct accordingly.

11. The other appeal relates to registration u/s 80G which were denied for the reasons that the application for registration u/s 12AB was denied. Since, we are directed to grant the registration u/s 12AB, we direct the ld. CIT(E) to evaluate the grant of registration u/s 80G as per law. In the result, the appeal filed by the assessee is allowed as per above terms."

17. In view of the above, we are of the considered opinion that at the time of registration u/s 12AB(1)(ac)(ii) and approval u/s 80G of the Act invoking of section 11(1)(c) and Section 13(1)(c)of the Act by ld. CIT(E) has resulted into entering the arena of assessment while considering the granting of registration u/s 12AB of the Act.Admittedly as per the provision of section 12AB,the ld. CIT(E) is required to look into (a) Genuineness of the activity of the trust or institution

and (b) The compliance of such requirements of any other law for the time being enforced by the trust or institution as are material for the purpose of achieving its objects. On perusal of the impugned order, we have noticed that there is no material on record which may show that the Appellant trust has not fulfilled the above two requirements for seeking registration u/s 12AB of the Act.The activities as discussed above, carried out by the appellant, are covered within the objective of the trust and the Revenue is already considering the trust as charitable trust by granting it registration twice and the principle of continuity is also need to be followed by the Revenue while considering the registration u/s 12AB of the Act. The point No. 2 is also decided in favour of the assessee and against the Revenue.

18. In view of our discussion, and decision on two points enumerated by us in favour of the assessee, we are of the considered opinion that the ld. CIT(E) has erroneously dismissed the application of the assessee. The impugned order is accordingly set aside. We accordingly allow the appeal of the assessee and direct the ld. CIT(E) to grant registration u/s 12A(1)(ac)(ii) of the Act and the consequent approval u/s 80G of the Act within a period of four weeks from the receipt of this order.

19. The finding of ITA No. 5582/Del/2026 shall *mutatis mutandis* apply to ITA No. 5583/Del/2026.

20. In the result, both the appeals of the assessee are allowed above terms.

Order Pronounced in the Open Court on 25/09/2026.

Sd/-
(Amitabh Shukla)
Accountant Member

Sd/-
(Raj Kumar Chauhan)
Judicial Member

Dated: 25/09/2026

Subodh Kumar, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR