

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH : BANGALORE**

**BEFORE SHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER  
AND SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER**

ITA Nos.1365 and 1366/Bang/2016

M/s. Pranathi Gramina Abhivrudhi Samsthe, G. Yerriswamy, S/o Basanna, H. No. 242, Post: Banavikallu – 583126, Tq: Kudligi, Dist: Bellari. <b>PAN : AACAP3738R</b>	Vs.	The Commissioner of Income Tax (Exemptions), 6 <sup>th</sup> Floor, Unity Building Annexe, P. Kalinga Rao Road, Bengaluru – 560 027.
<b>Appellant</b>		<b>Respondent</b>

Assessee by	:	Shri. G. Venkatesh, Advocate
Revenue by	:	Ms. Neera Malhotra, CIT-DR

Date of hearing	:	18.12.2017
Date of Pronouncement	:	22.12.2017

**ORDER**

*Per Sunil Kumar Yadav, Judicial Member*

These appeals are preferred by the assessee against the orders of CIT denying the registration recognition under section 12AA and 80G(5) of the IT Act.

2. During the course of hearing, the learned counsel for the assessee has invited our attention to the order of the CIT passed under section 12AA(1)(b)(ii) with the submission that CIT has not afforded sufficient time and opportunity to the assessee to furnish the details sought by him to prove the genuineness of the trust and its activities. He has invited our attention that CIT had fixed the hearing on 25.05.2016 at 11.45 AM. The assessee filed certain details. However, the amended copy of trust deed could not be produced and assessee sought time to produce the same. But the CIT instead of giving time, had rejected the application for registration and on account of rejection of registration under section 12A, the

recognition under section 80G filed by the assessee was also rejected, having observed that a designated officer is required to examine the cause with a view to obtain the satisfaction of the object of the trust. He further observed that it is not possible to verify the genuineness of the trust or its activities. The learned counsel for the assessee has submitted that the assessee is required to file all the relevant evidences and prove the genuineness of the trust and its activities and it is for the CIT to examine himself or to call for report from his subordinates. But he cannot deny the registration merely on the ground that the designated officer is required to examine the genuineness of trust and its activities. Whenever the registration is required it is for the authorities concerned to examine the objects and the activities of the trust. Therefore, the CIT may be directed to grant registration.

3. The learned DR placed reliance upon the order of the CIT.

4. Having carefully examined the orders of the authorities below, we find that CIT has rejected the registration having observed that designated officer is required to examine the genuineness of trust and its activities. Since it is not possible to verify the genuineness of trust and its activities, he rejected the registration. The action of the CIT does not appear to us to be reasonable. We accordingly set aside the order of the CIT in both the appeals and restore the matter to his file with a direction to re-examine the claim of registration of trust and recognition of trust under section 80G(5) also by making necessary enquiries either by himself or through his subordinates. Accordingly, the appeals of the assessee are allowed for statistical purposes.

5. In the result, appeals of the assessee are allowed for statistical purposes.

*Pronounced in the open court on 22<sup>nd</sup> December, 2017.*

Sd/-  
**(INTURI RAMA RAO)**  
**Accountant Member**

Sd/-  
**(SUNIL KUMAR YADAV)**  
**Judicial Member**

Bangalore.

Dated: 22<sup>nd</sup> December, 2017.

/NS/\*

Copy to:

1. Appellants
2. Respondent
3. CIT
4. Guard file

By order

Sr. Private Secretary,  
ITAT, Bangalore.