

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'E' : NEW DELHI)**

**BEFORE SHRI R.K. PANDA, ACCOUNTANT MEMBER
and
SHRI KULDIP SINGH, JUDICIAL MEMBER**

ITA No.2296/Del./2018

Mata Parvati Educational & Innovative Society, vs. CIT (E),
RZ – 2D, G.F., Plot No.10, Delhi.
Gali No.1, Kailash Puri,
Rainbow Kids Valley School,
New Delhi – 110 045.
(PAN : AAEAM4639E)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Pramod Jain, CA
REVENUE BY : Ms. Rinku Singh, Senior DR

Date of Hearing : 13.03.2019

Date of Order : 29.03.2019

ORDER

PER KULDIP SINGH, JUDICIAL MEMBER :

The Appellant, Mata Parvati Educational & Innovative Society (hereinafter referred to as 'the assessee') by filing the present appeal sought to set aside the impugned order dated nil passed by the Commissioner of Income-tax (Exemptions), New Delhi on the grounds inter alia that :-

“1. That the order passed by Ld. CIT (E) is bad in Law and against facts of the case.

2. That the approach of CIT (E) was very casual during the whole registration process.

3. *That the Ld. CIT (E) erred in rejecting the application made for registration u/s 12A.*
4. *That the Ld. CIT (E) has erred in rejecting the registration on the baseless grounds.*
5. *That the Ld. CIT (E) has not given adequate opportunity of being heard before rejecting the application for registration.*
6. *That CIT (E) erred in not considering the submissions filed by the assessee.”*

2. Briefly stated the facts necessary for adjudication of the controversy at hand are : assessee society is engaged in activities of imparting education by running school in the name and style of Rainbow Kids Valley School filed an application in Form 10A for registration under section 12AA of the Income-tax Act, 1961, which has been rejected by the Id. CIT (E) on the grounds inter alia that there is huge amount of cash deposits in the bank account maintained with the Indian Bank and assessee has failed to file the complete details of cash deposit in the banks account; that the school being run by the assessee is not even recognised by the Government of NCT of Delhi; and that the assessee has failed to satisfactorily establish the genuineness of the conduct of the charitable activities as defined in section 215 of the Act.

3. Feeling aggrieved, the assessee has come up before the Tribunal by way of filing the present appeal.

4. We have heard the Id. Authorized Representatives of the parties to the appeal, gone through the documents relied upon and orders passed by the revenue authorities below in the light of the facts and circumstances of the case.

5. Before proceeding further, aims and objects of the assessee society need to be examined, which are extracted for ready perusal as under :-

“4. AIMS AND OBJECTS OF THE SOCIETY : the Main Aims and objects for which the society established are as under:-

1. To open and run, Educational and Vocational schools or institutions to bring education within the reach of poor & backward children, in the National Capital Territory of Delhi.

2. To provide Libraries, Publish books on Educational, cultural & social subjects, organize discussions & seminars to impart knowledge & understanding amongst the people.

3. To provided Hostel & Residential accommodation that may be considered necessary for the student & for each member of the staff that may be made eligible for it.

4. To establish & maintain Institutions for the Handicapped & for adult Education, like Vocational Training in Vocations of household industry, semi-skilled jobs for self employment, short hand & Type-writing, Social Science, Languages, Fine Arts Crafts, Music, Painting, Modeling, Physical Training etc.

5. To provide the best Education available in some of the best schools in Delhi. Emphasis would be on Character building, self discipline & the development of the creative & social faculties. The society aims at producing well informed & well assured young children just the kind of children that our country needs.

6. To strive to meet changing need of providing comprehensive education to develop various facets of personality and to impart education to children on the most modern liens & provided an environment congenial to growth & development of the children.

7. *To arrange & organize the social, cultural & Educational programmes from time to time. Publish books, magazines and other publication for the promotion, protection and advancement of students.*

8. *To provide information and education/ useful knowledge and the medical advice, to general public regarding the vices of the society (Like Smack, Cigarette / Biri, Smoking, Alcohol, AIDS) through holding awareness camps for De-Addiction and also start / organize the lectures by expert team of Doctors, Journalists and other learned persons.*

9. *To provide free meals, clothes, medicines and other needy things to the poor and needy, children of widows. Electrician work, security and sweeping etc. for the area.*

10. *To arrange and establish medical and charitable dispensaries.*

11. *To provide lectures by the expert team of the Doctors, Journalists, Lawyers and Professionals etc.*

12. *To help and assist poor and needy residents and their families during emergencies, such as food, war, earth-quack and rains.*

13. *To arrange, and manage the training, Institution in TYPING, SHORTHAND, COMPUTER, FINE ARTS, CRAFTS, MUSIC, PAINTING, MODELING, DANCING, YOGA, NATUREPATHY, AYURVEDIC, PHYSICAL EDUCATION, and in Other Professional Training subjects with the approval of concerned authorities. To make best efforts for the promotion, protection and advancement.*

14. *To start establish, run take over, or manage and maintain schools, with an object to provide sound pre -primary, primary, secondary, senior Secondary and higher education. To children by seeking recognition and affiliation from the education department and concerned Govt. authorities.*

15. *To arrange and manage the Training institution in Typing, Short-Hand, Computer Information Technology, Computer Hardware and Networking Training, Mobile repairing, Hard ware and Software, Fine art , Craft, Music, Painting, Modeling, Cutting Tailoring, Yoga, Physical, Education and other social activities of Awareness programs, Adult Education Classes, Lecture Essay Competitions Exhibitions, Symposium, Cultural Programs, Press conference, Seminar Camp and after the complete, Programmes issued the Certificate, Diploma, degree etc.*

16. *To improve men's boys, Girls and women's educational standard both in Rural and Urban Areas. To promote literacy, cultural and other social activities by Awareness Programmes, Adult Education Classes Lectures Essay Competitions Symposium Cultural Programs, Press, Conference, and Seminars provided information and education / useful knowledge.*

17. *To establish and manage various kinds of educational, cultural, and welfare vocational training centers in the field of industrial scientific, medical, technical agricultural research training institutes to introduce and develop professional courses.*

18. *To publish books, Charts, Illustrations, general Magazines, Periodical, News Letter/ Papers and other publication on the different subjects and in different language of the promoting of above aims and objects of the above society.*

19. *To offer prizes and to grant scholarship and stipend in furtherance of the object of the society.*

20. *To conduct training and research programmers for controls of the pollution diseases and to maintain /develop/secure the herbs, forests, environment, species of animal birds wild life etc.*

21. *To encourage games/sports/yoga/gymnastics / judo / hockey / football/ cricket and games for the improvement of health amongst youth and children on the whole providing play ground sports club yoga training centers and also organize the tournaments yoga/sports competitions on block district state level.*

22. *To open, manage, control, look after and supervise the Computer Educational Institutions and to provide all types of Computer Education and to work for diffusion of useful knowledge in computer Science and Education and seeking recognition and affiliation from the Educational department /concerned authorities / Govt. authorities and to distribute prizes, awards degree diploma etc. to the qualified and eligible candidates. To open and manage the Computer Educational Institutions in various parts of India, as per Govt. policy.*

23. *To make-up effective reasonable and lawful steps for the solution of the problems relating to the blind, handicapped mentally handicapped deaf, dumb and other disabled; by providing them all required facilities.*

24. *To carry on community development programs/ activities and also construct and develop the community Halls, Barat Ghar, Dharamshala, Pies, Sulabh Shochalay, Old Age homes, Charitable, Dispensaries, Hospitals, Libraries,' Reading Rooms, Play Grounds, Stadiums (both open and indoor), Yoga, Training centers, Anganwari, Balwari, Studios, Drama Stage and other training and research institutes for the attainment of aims & objects of the society.*

25. *To organize free medical camp blood donation camps eye donation camps etc, in villages and urban area for the benefit of the general public.*

26. *To the establish, run, maintain, manage and control the various Medical colleges, Training institutions/ courses like, Medical, Dental, Para Medical, Ayurvedic, Unani, Homeopathic, Naturopathy, Physiotherapy, Pharmacy, Nursing, Laboratory, Occupational therapy, Dietician, Beautician, Acupuncture and Acupressure Therapy etc. (after getting proper permission from the competent authority of it is required).*

27. *To open establish and maintain hospital charitable dispensaries, medical Laboratory, maternity homes, child welfare centers, clinical laboratories and other similar institutions and research center.*

28. *The society will invest its money and funds under section 11 (5) of the Income Tax Act, 1961. The society will get permission u/s 80-G and 12-A etc.*

29. *To hold and conduct or assist public lectures, Demonstrations, Seminars, Consultations, Workshops, Conferences, seminars, Camps, Tours, Meetings, Educational Exhibitions etc. for the attainment of the objects of the Trust through all kinds of media.*

30. *Granting of financial assistance to any educational institution or granting Scholarships, Prizes, Medals, Awards for excellence in studies sports and scientific research, distribution of books and note books for poor and/or deserving students.*

31. *To acquire, purchase or otherwise own or undertake on loan or lease or hire temporarily or permanently and moveable or immoveable property.*

32. *To promote and protect Indian Traditional Music, Dance, handicraft, Handlooms, Art, Modern Art and Literature and other such areas, establish an award for the deserving people in such field. “*

6. Undisputedly, the conjoint reading of the aims and objects of the assessee society goes to prove that it has been set up to open and run educational and vocational school or institutions in order to bring education within the reach of poor and backward children in the National Capital Region of Delhi by establishing libraries, providing hospital and residential accommodation, by establishing and maintaining institution for handicap or adult education, etc., which certainly falls in the definition of “charitable activities” as defined in the provisions contained under section 215 of the Act.

7. Challenging the impugned order, Id. AR for the assessee contended that under section 12AA of the Act, Id. CIT (E) is only to examine the genuineness of the objects of the society if the same are charitable or not and that its activities are in consonance with the object of the Trust and that the CIT is not required to examine the issue of the income of the society.

8. However, on the other hand, Id. DR for the Revenue relied upon the order passed by Id. CIT (E) and contended that huge cash deposit in the bank account of the assessee society itself questions the genuineness of the objects of the society.

9. Bare perusal of the impugned order passed by the Id. CIT (E) goes to prove that he has not disputed the charitable aims and

objects of the assessee society, rather he has declined the registration under section 12AA of the Act on three grounds :

- (i) that there is a huge cash deposit in the bank accounts of the assessee society during the period 05.04.2017 to 15.09.2017 which is not supported by the corresponding documents;
- (ii) that the audited balance sheet for financial year 2016-17 has not been filed despite called for; and
- (iii) that the school being run by assessee society is not recognised by the Department of Education, Govt. of NCT of Delhi.

10. It is settled principle of law that at the stage of granting registration u/s 12AA of the Act, Id. CIT (E) is not to examine the application of income, which is to be done by the AO on year to year basis at the time of deciding the exemption u/s 11 of the Act; that the Id. CIT (E) is not to examine the genuineness of the Trust but not the income of the Trust for charitable or religious purpose which functions are assigned to AO and that the registration of the Trust does not involve inquiry into the actual activities or application of the funds etc., particularly when there is nothing on record to make out that the object of the Trust or activities of the Trust were not genuine; and that non-production of books does not

mean that the genuineness of the charitable activities of the assessee society is not established. Reliance in this regard may be placed on *Vidyadayani Shiksha Samiti vs. CIT ITA No.309/Del/2016 order dated 14.12.2017; Bhartiya Kisan Sangh vs. CIT – (2017 59 ITR (Trib) 228 (ITAT-Del); Shanti Education and Welfare Society vs. CIT ITA No.5970/Del/2012; Fifth Generation Education Society – 185 ITR 634; CIT vs. Babu Ram Education Society – (2018) 96 taxmann.com 606 (Allahabad); CIT vs. B.K.K. Memorial Trust – (2013) 256 CTR 424; and DIT (E) vs. PannaLalbai Foundation – 216 taxman 148.*

11. Hon'ble Karnataka High Court in *CIT vs. A.S. Kupparaju Brothers Charitable Foundation Trust – (2012) 69 DTR 315* has even held that, “*it is admitted that in pursuance of the trust deed and in terms of the objects setout therein, schools and colleges are being run and education institutions are being run as rightly held by the Tribunal, nothing more requires to be established to show that the trust in question is a genuine trust and therefore, the assessee is entitled to the registration under section 12AA of the Act.*”

12. In view of what has been discussed above, we are of the considered view that when aims and objects of the assessee society to open schools for imparting education and vocational training

which is per se a charitable object under section 2(15) of the Act and the assessee society has been running a school in the name and style of Rainbow Kids Valley School, the Id. CIT (E) had no ground to decline the registration under section 12AA of the Act. Consequently, appeal filed by the assessee society is hereby allowed directing the Id. CIT (E) to grant the registration to the assessee society u/s 12AA of the Act.

Order pronounced in open court on this 29th day of March, 2019.

**Sd/-
(R.K. PANDA)
ACCOUNTANT MEMBER**

**sd/-
(KULDIP SINGH)
JUDICIAL MEMBER**

**Dated the 29th day of March, 2019
TS**

Copy forwarded to:

- 1.Appellant
- 2.Respondent
- 3.CIT
- 4.CIT(E), New Delhi.
- 5.CIT(ITAT), New Delhi.

**AR, ITAT
NEW DELHI.**