

IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCHES, NEW DELHI
(CIRCUIT BENCH AT DEHRADUN)

BEFORE SHRI SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER
AND
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER

ITA No.2064/Del/2019
(Assessment Year:2018-19)

Kathuria Foundation, Govind Hall Above Co-operative Store the Mall, Nainital, Uttarakhand PAN: AADTK2587K (Appellant)	Vs.	CIT(Exemption), Lucknow (Respondent)
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Assessee by :	Shri S. K. Matta, CA Shri Sudhir Matta, CA
Revenue by:	Shri Bhopal Singh, JCIT
Date of Hearing	28/02/2020
Date of pronouncement	13/05/2020

ORDER

PER PRASHANT MAHARISHI, A. M.

1. This appeal is filed by appellantcharitable trust against the order of the LD CIT (Exemption), Lucknow for rejecting the registration to the assessee u/s 12AA (1) (v) (ii) of the Act by order dated 09.01.2019.
2. Brief facts of the case shows that the assessee is a charitable trust who filed an application for registration u/s 12A(a) on 27.08.2018 with CIT(Exemption), Lucknow.
3. The object of the trust is to provide financial support by way of school fees to poor and deserving students. Such fees were paid directly to the schools by way of account payee cheques. Therefore, the object of the assessee was educational activities. Thus claiming it be an eligible trust to be registered u/s 12 A a of the filed an application in prescribed form before the ld CIT- E.
4. To verify the object of the trust and genuineness of the activities the ld CIT(E) issued notice to the trust for production of books or vouchers in

support of its claims. The Id CIT(E) noted that applicants has merely submitted copies of the trust deed and could not show any other material which could have thrown light upon the activities. As neither the books of account nor the vouchers were produced before him, Id CIT(E) doubted the genuineness of the activities of the trust and held that application is deficient. Therefore, he held that the assessee does not deserve the registration. Accordingly, he rejected the application in absence of sufficient material required for formation of satisfaction about eligibility of the trust with respect to genuineness of its activities. Therefore, assessee is in appeal before us.

5. The Id AR submitted before us that assessee is carrying on educational activities by reimbursement of the school fees of the poor students. It was further submitted that as the trust was formed in the financial year ended on 31.03.2018 with an initial corpus Rs. 11000/- by the founder. Further, sum of Rs. 25000/- was received as donation in trust corpus. The miscellaneous donation of Rs. 5900/- was received by the trust. Out of the above funds, assessee has incurred the total expenditure on education of poor children of approximately Rs. 27000/- and small amount was spent on administrative expenses. The assessee submitted that it has already filed the return of income for Assessment Year 2018-19 on 17.08.2018 which was available on record before the Id CIT(E) before he passed the order on 09.01.2019. He therefore, submitted that it is not correct that assessee did not carry on any activity. He further submitted that the books of account of the assessee were duly audited by the Chartered Accountant on 15.05.2018 for the year ended on 31.03.2018 which was also available on record. He also referred to the statement of the investment as well as utilization of the funds for charitable purposes. He also referred to the notice of activities for FY 2017-18. He supported activities of the trust by submitting the bank account with the Axis Bank wherein, the donations received as well as the outflow or applications of fund are clearly demonstrated. In view of this he submitted that all these details were submitted to the Id CIT(E) but same have not been considered in the proper perspective. He therefore, submitted that the Id CIT(E) has wrongly denied the registration.

6. Id DR supported the order of the Id CIT(E) stating that books of account and vouchers as well as bank statement of the applicant trust were not produced before him and therefore, the registration has rightly been denied.
 7. We have carefully considered the rival contentions and also perused the orders of the Id CIT(E). Undoubtedly, the object of the trust is educational and it provides school fees to the poor and deserving students. The audited accounts for the year ended 31.03.2018 also support with the activities of the trust are for the above object. The bank account submitted before us also shows that the donation received as well as the application of the above sum. The activities of the trust are apparently in accordance with the object of the trust. In view of the above overwhelming evidence it is apparent that the trust deserves registration u/s 12AA(a) of the Act. However, the Id CIT(E) has held that as no books of account and vouchers were produced before him therefore, the application of the assessee could not be allowed. In view of the above facts and in the interest of justice, we set aside the whole issue back to the file of the Id CIT(E) with a direction to the assessee to once again support its claim for registration u/s 12AA of the Act by producing the books of account, vouchers, bank statement and audited account and further information as may be necessary for verification of genuineness of the activities of the trust. The Id CIT(E) is also directed to examine the same and, if found in order, to grant the registration to the trust after granting proper opportunity of hearing. In the result the issue involved in appeal comprising of grounds of appeal is allowed for statistical purposes.
 8. In the result, appeal of the assessee is allowed with above direction.
 9. In the result appeal of the assessee is allowed for statistical purposes.
- Order pronounced in the open court on 13/05/2020.

-Sd/-
(SUDHANSHU SRIVASTAVA)
JUDICIAL MEMBER

-Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

Dated: 13/05/2020
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi