

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DIVISION BENCH "A", CHANDIGARH  
(VIRTUAL COURT)**

**BEFORE: SHRI. N.K.SAINI, VICE PRESIDENT AND  
SHRI R.L. NEGI, JUDICIAL MEMBER**

ITA No. 178/CHD/2020

Assessment Year :

D.A.V. College Hoshiarpur Society Near Mini Secretariat Hoshiarpur, Punjab	बनाम	The CIT(Exemption) Chandigarh
स्थायी लेखा सं./PAN NO. AAAAD8450G		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारित की ओर से/Assessee by : Shri Surinder Mahajan, C.A.

राजस्व की ओर से/ Revenue by : Smt. C. Chandrakanta, CIT

सुनवाई की तारीख/Date of Hearing : 16/12/2020

उद्घोषणा की तारीख/Date of Pronouncement : 16/12/2020

**आदेश/Order**

**PER N.K. SAINI, VICE PRESIDENT:**

This is an appeal by the assessee against the order dt. 24/01/2020 of Ld. CIT(E), Chandigarh.

2. Following grounds have been raised in this appeal:

1. That on facts and circumstances of the case, Ld Commissioner of Income Tax (Exemption), Chandigarh has grossly erred in law in rejecting the application for grant of approval u/s 80G of the Act on flimsy grounds.

2. That the order passed by Ld Commissioner of Income Tax (Exemption), Chandigarh is opposed to judgment of Jurisdictional P&H High Court in the case of **COMMISSIONER OF INCOME TAX (EXEMPTION) vs. SANT GIRDHAR ANAND PARMHANS SANT ASHRAM (2018)305 CTR 0099 ((P&H))** wherein it has been held that once registration u/s 12AA stands validated, approval u/s 80G itself merits acceptance.

3. That on facts and circumstances of the case, Ld Commissioner of Income Tax (Exemption) has grossly erred in law in rejecting the application for grant of approval u/s 80G of the Act only on the ground that society has accumulated a large fund in the form of current assets and fixed assets. Order passed by the Ld Commissioner of Income Tax (Exemption), Chandigarh lacks principles of natural justice.

4. *That on facts and circumstances of the case, Ld Commissioner of Income Tax (Exemption), Chandigarh has grossly erred in rejecting application u/s 80G of the Act without giving opportunity to explain purpose behind obtaining approval u/s 80G of the Act.*

5. *That the Appellant requests for leave to add or amend the grounds of appeal before the appeal is heard or disposed off.*

3. From the aforesaid grounds it is gathered that only grievance of the assessee relates to the rejection of application for grant of approval under section 80G of the Income Tax Act, 1961 (hereinafter referred to as 'Act').

4. Facts of the case in brief are that the assessee filed an application in Form No. 10G on 30/07/2019 for approval under section 80G of the Act. The Ld. CIT(E) asked the assessee to respond to the queries which are mentioned in Para 2 of the impugned order, for the cost of repetition the same are not reproduced herein.

5. The Ld. CIT(E) again asked the assessee to furnish the clarification and also raised the additional queries on or before 20/12/2019. In response to the letter dt. 01/10/2019 the assessee furnished the reply. The Ld. CIT(E) again asked the assessee to submit the reply on the additional queries on or before 06/01/2020.

5.1 The Ld. CIT(E) after considering the reply of the assessee observed that the quantum of the current assets and the addition in the fixed assets were huge amount during the accounting period ending on March 2016 to March 2019. He mentioned that the assessee failed to provide the cogent rationale for seeking donation that substantiate the need of donation. Ld. CIT(E) also mentioned that even though the assessee had 12 AA Registration, that being proper condition but not a sufficient condition for providing the exemption to donation. He accordingly denied the approval to the applicant sought under section 80G of the Act.

6. Now the assessee is in appeal.

7. Ld. Counsel for the assessee reiterated the submissions furnished to the Ld. CIT(E) and further submitted that the Ld. CIT(E) never asked the assessee to provide the rationale for seeking the donation and all the information which were asked for were provided by the assessee, therefore, the rejection of approval under section 80G was not justified.

8. In her rival submissions the Ld. CIT DR strongly supported the impugned order passed by the Ld. CIT(E).

9. We have considered the submissions of both the parties and perused the material available on the record. In the present case it is noticed that the Ld. CIT(E) rejected the application moved by the assessee for approval under section 80G of the Act by mentioning that the assessee failed to provide cogent rationale for seeking donation and the need for the donation. However it is not clear as to whether those informations were asked from the assessee by the Ld. CIT(E) or not. We therefore considering the totality of the facts of the present case, deem it appropriate to set aside this case back to the file of the Ld. CIT(E) to be adjudicated afresh in accordance with law after providing due and reasonable opportunity of being heard to the assessee.

10. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced on 16/12/2020 .

Sd/-

**(R.L. NEGI)**  
**JUDICIAL MEMBER**  
**Dated : 16/12/2020**  
**AG**

Sd/-

**(N.K. SAINI)**  
**VICE PRESIDENT**

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. The Appellant
2. The Respondent
3. CIT
4. The CIT(A)
5. DR, ITAT, Chandigarh
6. Guard File