

**IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, CHANDIGARH**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
Ms. ANNAPURNA GUPTA, ACCOUNTANT MEMBER**

**ITA No. 914/CHD/2017
U/s 12AA (1)(b)(ii)**

Shree Durga Mata Mandir,
Village Pipliwala Town,
Manimajra
Chandigarh

Vs. The CIT (Exemptions),
Chandigarh

PAN No. AAPAS0577G

(Appellant)

(Respondent)

Appellant by : Sh. Sudhir Sehgal, Advocate
Respondent by : S/Sh. Ashish Gupta, CIT DR

Date of Hearing : 09.07.2018
Date of Pronouncement : 07.09.2018

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 30.3.2017 of the Commissioner of Income Tax (Exemptions), Chandigarh [hereinafter referred to as 'CIT(E)'] agitating the action of CIT(E) in rejecting the application of the assessee society for registration u/s 12A of the Income-tax Act, 1961 (in short 'the Act').

2. The brief facts of the case are that the assessee society is in operation since 9.2.1983, which is engaged in management of Shree Durga Mata Mandir. The aims and objects of the society inter alia are as under:-

a) to take steps to acquire land for construction of a temple

b) to celebrate important religious festivals and hold functions to honour the memory of great men of thought and action;

c) to arrange public disclosure on subjects connected with ancient Indian heritage;

d) to maintain communal harmony by extending active cooperation to the people of various faiths in accordance with the great spiritual heritage of India and her secular structure and also to promote better understanding among the people of various beliefs;

e) the Sabha is strictly not-political.

3. The assessee society applied for registration u/s 12A of the Act. However, the same was rejected by the Ld. CIT(E) observing that the assessee society had sought registration from the back date i.e. from the past 34 years. The Ld. CIT(E) has further observed that the assessee society had filed return of income for the last three assessment years i.e. 2014-15, 2015-016 & 2016-17. These were filed between the period from September to November 2016 to claim exemption from taxation for the aforesaid years. He further observed that the assessee could not verify with reliable evidences the value of the plot which the assessee society received as a gift from Smt. Labh Kaur daughter of Shri Rajinder Singh. Further, there was no dissolution clause in the Memorandum of Association. Further, that there was some malfeasance within the society as the President of the society had been removed and replaced. Further, that assessee society had accumulated a corpus fund of Rs. 1,25,19,852/- and assets of Rs. 1,26,30,865/- and that the society had used meager

funds to achieve the aims and objects of charitable and religious nature. He, therefore, denied the registration to the assessee society.

4. Being aggrieved by the above order of the Ld. CIT(E), the assessee society has come in appeal before us.

5. We have heard the Ld. Representatives of the parties and also have gone through the records. In our view, the registration to the assessee society has been wrongly denied by the Ld. CIT (E). There is no specific finding or the observation of the Ld. CIT(E) in the order that the assessee society is not working towards achieving its aims and objectives. The assessee society is a religious body and is engaged in the maintenance of Shree Durga Mata Mandir at Manimajra. Such type of religious Mandirs are not private property of any individual or any society, hence, the property of such entities cannot be taken over or distributed among the members of the society. So far as the absence of dissolution clause, it was brought in the knowledge of the CIT(E) that the assessee society subsequently passed a resolution whereby a Dissolution clause have been added to the Memorandum of Association of the society. So far as the accumulation of corpus funds etc. is concerned, it was explained to the Ld. CIT(E) that corpus fund has been made out of the donations received from the members and the devotees of Shree Durga Mata Mandir for maintenance of mandir and purchase of new property and that the said receipts were duly accounted for and that the institution was established wholly for religious purposes. It has been further explained that the corpus fund has been further applied for building

of new hall / religious activities and functions, staff salary and langar activities (free food). That the corpus fund of Rs. 1,31,23,853/- as on March 31, 2017 has been duly utilized for temple premises, furnishing & fittings and on utensils.

6. It is evident that the assessee society is engaged in maintenance of Mandir. There is no allegation that the Corpus fund or the surplus accumulated funds are being used for the purpose other than the aims and objects of the assessee society. The corpus as well as accumulated surplus as is claimed is being used for maintenance and development of Shree Durga Mata Mandir which is a religious place visited by the devotees and open to all.

7. In view of this, we do not find any justification on the part of the Ld. CIT(E) for rejecting the application of the assessee society for registration u/s 12A of the Act. The Ld. CIT(E), therefore, is directed to grant registration to the assessee society from the date of application i.e. from 16.9.2016 onwards. The appeal of the assessee society is accordingly treated as allowed.

In the result, the appeal of the assessee is allowed.

Order pronounced in the Open Court on 07.09.2018

Sd/-
(ANNAPURNA GUPTA)
ACCOUNTANT MEMBER

Dated : 07.09.2018

Rkk

Copy to:

- *The Appellant*
- *The Respondent*
- *The CIT*
- *The CIT(E)*

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

- *The DR*