

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ A ‘ Bench, Hyderabad
(Through Video Conferencing)

Before Shri S.S. Godara, Judicial Member
AND
Shri Inturi Rama Rao, Accountant Member

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| ITA No.47/Hyd/2020 | | |
| Assessment Year: NA | | |
| Bolli Charitable Society, Hyderabad. PAN : AAGAB2023F. | Vs. | The Commissioner of Income Tax, (Exemptions), Hyderabad. |
| (Appellant) | | (Respondent) |
| Assessee by: | Shri K. Chennubotlu | |
| Revenue by: | Shri Rajendra Kumar | |
| Date of hearing: | 02.03.2022 | |
| Date of pronouncement: | 04.03.2022 | |

ORDER

Per S. S. Godara, J.M.

This assessee's appeal arises from the Commissioner of Income Tax (Exemptions), Hyderabad's order dated 21.11.2019 in case No.F.No.CIT(E)/Hyd/75(05)/12A/2019-20 involving proceedings u/s 12AA(1)(b)(ii) of the Income Tax Act, 1961 [in short, 'the Act'].

Heard both the parties. Case file perused.

2. We notice at the outset with the able assistance of both the parties that the CIT(Exemptions)'s order challenging declining section 12A registration has been passed inter-alia on the grounds that the same lacks genuineness of activities performed, involve alleged bogus expenditure as well as

independent existence and its CSR expenditure was not allowable being in the nature of a colorable device; respectively.

3. Learned CIT-DR could not rebut the basic fact that the assessee's following clinching objects indicating it to have been set up for carrying out educational activities etc. have nowhere been doubted in the CIT(Exemptions)'s order. The same read as under :

“5. AIMS AND OBJECTS OF THE SOCIETY:

1. To carry on educational and medical works and for the same purpose to establish, take over, endow, maintain, administer carry on, conduct, develop, diffusion of useful knowledge, hostels, boarding houses and other professional educational institutions including technical and medical institutions, works, amenities and activities of all kinds envisaging the needs of the society in any part of India with a view not to make profit and solely for the upliftment of mankind on humanitarian grounds.

2. To carry on charitable activities like relief of the poor and needy, establishment of poor houses, orphanages children's homes, rescue homes working women hostels family care centers and other charitable works amenities and activities of all kinds in any part of India for the benefit of people of irrespective of religion, race, caste and social status with a view to make any profit, including rendering financial assistance to poor patients by making provision for medical assistance, healthcare and preventive medical services. To operate RO plants assembly, installation and servicing solely or in association with Government, NGOs and other stakeholders.”

4. Coupled with this, we also quote hon'ble apex court's recent landmark decision in Civil Appeal No.1727/2020 dated 19.02.2020 M/s. Ananda Social and Educational Trust Vs. CIT that it is the assessee's objects' genuineness which has to be gone into the section 12AA registration proceedings which also include proposed activities as well. We therefore accept the

assessee's foregoing objects as having satisfied the specified limb(s) of education in "charitable purposes" as defined in section 2(15) of the Act and direct the CIT(Exemptions) to grant the impugned registration as per law. It is however made clear that it shall be very much open for the department to adjudicate and decide the assessee's activities performed involving of all the relevant facts as per law in appropriate proceedings.

5. This assessee's appeal is allowed in above terms.

Order pronounced in the Open Court on 04th March, 2022.

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| Sd/- (INTURI RAMA RAO) ACCOUNTANT MEMBER | Sd/- (S.S. GODARA) JUDICIAL MEMBER |
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Hyderabad, dated 04th March, 2022.

TYNM/sps

Copy to:

| S.No | Addresses |
|------|--|
| 1 | Bolli Charitable Society, H.No.8-2-293/82/A, 1355D, Near HDFC Bank, Road No.45, Shaikpet, Hyderabad. |
| 2 | The Commissioner of Income Tax (Exemptions), Hyderabad. |
| 3 | Addl.CIT(Exemptions), Hyderabad. |
| 4 | DR, ITAT Hyderabad Benches |
| 5 | Guard File |

By Order