

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "G": NEW DELHI**

**BEFORE
SHRI G.S. PANNU, HON'BLE PRESIDENT
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER**

ITA No. 184/Del/2018

Asstt. Year: 2017-18

Sarti Educational Trust, C-4, Old DLF Colony, Sector-14, Gurgaon, Haryana Pin 122 001 PAN AALTS3237L	Vs.	CIT (Exemptions) Chandigarh Pin 160 017
(Appellant)		(Respondent)

Assessee by:	None
Department by :	Shri H.K. Chaudhary, CIT(DR)
Date of Hearing	06.04.2022
Date of pronouncement	25.04.2022

ORDER

PER ASTHA CHANDRA, JM

The appeal filed by the assessee is directed against the order dated 30.11.2017 of the Commissioner of Income Tax (Exemptions), Chandigarh ("**CIT(E)**") pertaining to the assessment year 2017-18.

2. The assessee is a Trust created on 30.04.2009. It is running a school without claiming exemptions in the past. It filed an application on

23.05.2017 in Form No. 10A seeking registration under section 12AA of the Income Tax Act, 1961 **(the “Act”)**.

3. With a view to examine the objects of the Trust and genuineness of its activities, the Ld. CIT(E) gave an opportunity to the Trust on 14.09.2017 and requested the assessee Trust to provide certain details/ clarifications and fixed the hearing for 11.10.2017. Adjournment was sought and next hearing was fixed for 03.11.2017. The President of the Trust and the Settlor appeared and filed written submissions. After considering the reply, the Ld. CIT(E) issued a show cause letter on 06.11.2017 and hearing was fixed for 13.11.2017. On that day partial reply was received and the remaining reply was received on 17.11.2017. On appraisal of the written submissions, the Ld. CIT(E) came to the conclusion that the genuineness of the activities of the Trust cannot be corroborated with the stated aims and objects and therefore he rejected the application of the Trust for registration.

4. Aggrieved, the assessee Trust filed appeal before the Tribunal against denial of registration by the CIT(E) even when all information were duly available before him.

5. Hearing was fixed by the Tribunal on 12.08.2021 by issue of notice on 12.07.2021. The notice to the assessee was returned by the postal authorities with the remark 'left'. The Ld. DR sought adjournment which was allowed. Next hearing on 02.11.2021 before the Tribunal was fixed by issue of notice on 13.08.2021. None attended. Nor any request for adjournment was received from the assessee. The last notice issued on 22.02.2022 fixing the date of hearing on 06.04.2022 has also been returned by the postal authorities with the remark 'left the premises'. It appears that the assessee has changed the address without giving intimation thereof to the Tribunal.

6. Under the above circumstances, we are constraint to pass ex-parte order after hearing the Ld. CIT(DR). The Ld. CIT(DR) relied on the order of the Ld. CIT(E) and drew our attention to para 7 of his order.

6.1 In para 7(iii) the Ld. CIT(E) mentioned that perusal of audit report in Form No. 10B for the year ending on 31.03.2016 reveals that the amount of income applied to charitable or religious purposes was shown at Rs. 2,20,24,658/-. This is in stark contrast to the income shown as per the Income & Expenditure Account for the year ending 31.03.2016 that was merely Rs. 94,48,024/-. The Ld. CIT(E) therefore, gave the finding that the accounts are not reliable and the genuineness of activities cannot get corroborated by such mismatch between claims and actual accounts.

6.2 In para 7(v), the Ld. CIT(E) recorded the finding that the Trust is more of a family trust and in no sense enure to benefit the general public as power to take all the decision either financial or administrative vests with the family members only.

6.3 Lastly in para 7(vi), the Ld. CIT(E) observed that enhancement in the misc. assets from 20.25 lakhs in F.Y. 2015-16 to 2.18 crores (pre-operative expenditure) in the F.Y. 2016-17 not only are not fathomable but also negate the claims in respect of the applicant being covered by exemption provisions as they are pointers that applicant is operating on profit/commercial basis.

7. The aforesaid findings of the Ld. CIT(E) remain uncontroverted by the assessee Trust as none appeared before us due to notices of hearing returned unserved. The assessee Trust has left the premises without giving intimation of change of address.

8. On careful consideration of the material on record and after hearing Ld. CIT(DR) we have come to the conclusion that the Ld. CIT(E) has recorded

cogent reasons for denial of the claim of registration made by the assessee Trust. We, therefore, decline to interfere with his order and reject the appeal.

9. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 25th April, 2022.

sd/-

sd/-

(G. S. PANNU)

(ASTHA CHANDRA)

PRESIDENT

JUDICIAL MEMBER

Dated: 25/04/2022

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Copy forwarded to -

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

ASSISTANT REGISTRAR
ITAT, New Delhi

Date of dictation	
Date on which the typed draft is placed before the dictating Member	
Date on which the typed draft is placed before the Other Member	
Date on which the approved draft comes to the Sr. PS/PS	
Date on which the fair order is placed before the Dictating Member for pronouncement	
Date on which the fair order comes back to the Sr. PS/PS	
Date on which the final order is uploaded on the website of ITAT	
Date on which the file goes to the Bench Clerk	
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
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