

THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "A" BENCH

**Before: Shri Waseem Ahmed, Accountant Member
And Shri Siddhartha Nautiyal, Judicial Member**

**ITA No. 879/Ahd/2019
Assessment Year 2019-20**

Ranasan GIDC Association, 69, GIDC Ranasan, Vijapur, Mehsana, PP Area Ashram Cross Road, Ranasan Gujarat-382870 PAN: AABTR8300F (Appellant)	Vs	CIT(Exemption), Ahmedabad (Respondent)
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**Assessee by: None
Revenue by: Shri Vijay Kumar Jaiswal, CIT-D.R.**

Date of hearing : 18-05-2022
Date of pronouncement : 18-05-2022

आदेश/ORDER

PER : SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER:-

This is an appeal filed by the assessee against the order of the Id. Commissioner of Income Tax (Exemption), Ahmedabad in Order No. ITBA/EXM/S/EXM 1/2018-19 vide order dated 14/03/2019 passed for the assessment year 2010-11.

2. The assessee has taken the following grounds of appeal:-

“1 The Commissioner of Income Tax(Exemption) Ahmedabad has erred in Law and on fact and also in law in rejecting application U/S 12AA of the Income Tax Act, 1961.

2 Your appellant crave, leave to add, alter, & or to emend modify substitute all or any ground of appeal before final hearing if necessity so arise.”

3. The brief facts of the case are that the assessee made an application for registration of Trust under section 12AA of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) electronically on 27.09.2018 along with the Registration Certificate issued by the Charity Commissioner. Thereafter, the CIT(Exemption), Ahmedabad issued letter dated 10.12.2018 asking the assessee to furnish certain details. In response, the assessee vide submission dated 24.12.2018 filed certain details as requisitioned for. The CIT(Exemption), Ahmedabad issued another notice dated 26.12.2018 asking the assessee to produce further documents as mentioned in the said notice. In response thereto, the assessee filed letter dated 23.01.2019 and submitted part details. Thereafter, CIT(Exemption) issued final letter dated 15.02.2019 asking for details, in response to which the assessee filed letter dated 21.02.2019. The CIT (Exemption), Ahmedabad on consideration of the time-to-time replies filed by the assessee, rejected the assessee’s application for registration of the Trust u/s 12AA of the Act, with the following observations:

“7. In spite of specific requisitions the applicant has not submitted the requisite details such as certified copy of trust deed, certified copy of registration certificate issued by

charity commissioner, bank details, notes on activities being carried out by the trust with evidences with project/plan of action for the main charitable activities to be carried out in the next two years, copy of proof of identity of the main trustee/president/secretary of the trust, undertaking u/s 2(15), details of donation received/paid. Applicant trust failed to file copy of registration certificate issued by charity commissioner office which is mandatorily required. Therefore, in the absence of complete details/documents as mentioned above, it is not possible to verify the genuineness of the activities of the above trust or the same being carried out in accordance with the objects of the trust. Thus, the genuineness of the activities does not get established.

This clearly indicates that the applicant does not have intention even to start charitable/religious activities. Section 12AA makes it very clear that before granting registration under this section, the Commissioner has to satisfy himself about the genuineness of the activities of the trust or institution and also he has to verify that these activities are in consonance with the objects of the trust or institution. Reliance in this regard is placed on judgment delivered by the Hon. Supreme Court in the case of Commissioner of Income-tax, Ujjain Vs Dawoodi Bohara Jamat Civil Appeal No. 2492 of 2014. The facts considered in para 14 of the judgement by the Hon'ble Apex Court are reproduced for sake of convenience:

" Section 12AA lays down the procedure to be followed by the Commissioner for grant or refusal of application for registration made under Section 12A. According to procedure so laid down, the Commissioner shall call for documents and information and conduct an enquiry to satisfy himself of the genuineness of the trust and upon reaching

satisfaction of the charitable or religious nature of the objects and the authenticity of the activities of the trust, he would grant registration. If he is not satisfied of the aforesaid, the request made in the application may be declined." As discussed above, the applicant has failed to file documentary evidences to enable me to satisfy about the genuineness of its activities and to verify these activities are in consonance with its objects. 8. Looking to the above facts, I am unable to arrive at the satisfaction of the genuineness of the activities. Hence, the application filed in Form No. 10A electronically for the approval u/s. 12AA of the Income-tax Act, is rejected."

4. The assessee is in appeal before us against the rejection order passed by CIT(Exemption).

5. The assessee in the statement of facts has submitted that it had filed various details before CIT(Exemption), but apparently, it seems that CIT(Exemption) did not take note of the same while rejecting the application for registration of Trust u/s 12AA of the Act. For instance, in the Statement of Facts, the assessee has submitted that while rejecting the application, CIT(Exemption) has stated that certified copy of trust deed and registration certificate with Charity Commissioner were not furnished, but the assessee had attached the same at the time of submitting application in Form 10, during certified by Trustees. The CIT(Exemption) has stated that the applicant has not submitted notes on activity and proof of activity, but the assessee has stated that the same were duly submitted when called for. Further, the application was rejected by CIT(Exemption) on the ground that

identity proof of Trustees was not submitted, but the assessee has averred that the same were duly submitted to CIT(Exemption).

5.1 In view of the above facts as stated before us, we think fit in the interest of justice, that the matter may be restored to the file of CIT(Exemption) for de novo consideration, after giving due opportunity of hearing to the assessee to present his case.

6. In the result, the assessee's appeal is allowed for statistical purposes.

Order pronounced in the open court on 18-05-2022

Sd/-
(WASEEM AHMED)
ACCOUNTANT MEMBER
Ahmedabad : Dated 18/05/2022

Sd/-
(SIDDHARTHA NAUTIYAL)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद