

आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ ITA No.210/Chny/2011

Shri Venkatachalapathy Educational and Charitable Trust 20, Muthusamy Iyer Street, Building Society, Chinnamanur, Theni District – 625 515.	बनाम / Vs.	CIT-II, Madurai.
स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. AAHTS-8044-F		
(□ पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Assessee by	:	Shri R. Vijayaraghavan (Advocate)-Ld. AR
प्रत्यर्थी की ओरसे/ Revenue by	:	Shri Guru Bashyam (CIT)-Ld. DR
सुनवाई की तारीख/ Date of Hearing	:	06-07-2022
घोषणा की तारीख / Date of Pronouncement	:	06-07-2022

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee has come up for hearing pursuant to the directions of Hon'ble High Court of Madras in revenue's appeal TCA No. 16 of 2012 dated 22.03.2022. In concluding para of the order, the order of the Tribunal has been set aside for fresh consideration. A liberty has been given to the Trust to submit requisite documentary evidences to lay claim on registration u/s 12AA.
2. The material on record would reveal that the assessee applied for registration u/s 12AA which was denied. The Tribunal, vide order dated

30.09.2010, restored the matter of registration to Ld. CIT. Vide order dated 10.12.2010, Ld. CIT denied the registration by observing that as per statement of account, the assessee was not carrying any genuine charitable activities. The assessee has not produced requisite documents to the satisfaction of CIT to lay claim for registration u/s 12AA.

3. The Tribunal, vide order dated 23.06.2011, directed for grant of registration by observing that the funds were used only for creating infrastructure necessary for pursuing the educational objects. The revenue challenged the order of Tribunal before Hon'ble High Court of Madras wherein the matter has been restored back to us for fresh adjudication. In para-8, Hon'ble Court observed that without properly examining the activities carried on by the Trust and utilization of surplus funds as received by them, the Tribunal allowed the registration without proper verification. Accordingly, the appeal has come up for hearing before us.

4. The Ld. AR submitted that all the requisite documents showing the receipt and utilization of funds were submitted to Ld. CIT and Ld. CIT should specify what further documents would be required to substantiate the claim. The Ld. AR also drew attention to the facts that fresh registration has been granted to the assessee on 10.03.2022 for AYs 2022-23 to 2026-27. The copy of Form No.10AC has been placed on record. The Ld. Sr. DR, on the other hand, submitted that it was incumbent on the part of the assessee to establish that the funds were utilized for educational purposes.

5. After careful consideration, we find that the assessee Trust applied for registration in as early as in the year 2009 wherein the

financial statements did not show actual utilization of funds for charitable activities and accordingly, the registration was denied. However, much water has flown since then and the assessee would be in a position to substantiate the fact that it existed for educational purposes and the funds were utilized for educational purposes. The same is further supported by the fact that the assessee has been granted registration for subsequent years. Therefore, accepting the plea of Ld. AR, we direct Id. CIT to specify what further documents are required from the assessee to lay its claim for registration in earlier years. The assessee is directed to provide the same and substantiate the fact that it existed solely for charitable purpose and the funds were actually utilized for charitable activities. After considering the same, Ld. CIT may take a call on the registration application.

6. The appeal stand allowed for statistical purposes.

Order pronounced on 06th July, 2022.

Sd/-
(MAHAVIR SINGH)
उपअध्यक्ष / VICE PRESIDENT

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 06-07-2022
EDN/-

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त (अपील)/CIT(A) 4. आयकर आयुक्त/CIT 5. विभागीय प्रतिनिधि/DR 6. गार्ड फाईल/GF