

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'H' BENCH,
NEW DELHI

BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER, AND
SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No. 465/DEL/2021 [A.Y -]

Popular Front of India Vs. The C.I.T[Exemptions]
G - 78, 2nd Floor, Shaheen Bagh Delhi
Kalindi Kunj, Noida Road
New Delhi

PAN: AABAP 4277A

(Applicant)

(Respondent)

Assessee By : None
Department By : Shri M. Baranwal, CIT-DR

Date of Hearing : 14.11.2022
Date of Pronouncement : 14.11.2022

ORDER

PER N.K. BILLAIYA, ACCOUNTANT MEMBER:-

This appeal by the assessee is preferred against the order of the ld. CIT(E) - Delhi dated 22.03.2021 by which the CIT(E) cancelled the registration of the assessee u/s 12AA(3) of the Income-tax Act, 1961 [hereinafter referred to as 'The Act'].

2. The grievances of the assessee read as under:

“1. That order of CIT(E), Delhi dated 22.03.2021 under section 12AA(3) / section 12AA(4) rejecting appellant's Application No. CIT(EXEMPTION), DELHI/2020-21/12AA/11940 is perverse, bad in law and void ab-initio.

2. On the facts and circumstances of the case and in law, the CIT(E) Delhi erred in cancelling/withdrawing the registration already granted u/s 12A with retrospectively from A.Y. 2016-17 on the alleged grounds that the activities carried on by the Appellant are not genuine and are not in accordance with the objects of the assessee.

3. Whether on the facts and circumstances of the case and in law, the CIT(E) Delhi erred in cancelling/withdrawing the registration already granted u/s 12A with retrospectively from A.Y. 2016- 17 on the alleged ground that the assessee society has applied the benefits of society to one particular religious community in violation of section 13(l)(b) of the Income Tax Act, 1961 attracting the provisions of Section 12AA(4)(a) of the Income Tax Act, 1961 ?

4. Whether on the facts and circumstances of the case and in law, the CIT(E) Delhi justified in invoking section 12AA (4)(b) of the Income tax Act, 1961 for rejecting Registration No. P-1589648 dated 28.08.2012 granted to appellant under section 12A, where appellant has strenuously been prosecuting the weird allegations/litigations and matters are still sub-judice in court of law and has not attained finality ?

5. Whether Id. CIT(E) Delhi has followed the mandate of section 12AA(3) before cancelling the registration of assessee that the activities of the assessee are not genuine or are not in

accordance with the objects ? Such satisfaction cannot be a borrowed satisfaction or based on the proposal of ITO (Exemption) or dictates of other officers without application of mind independently.

6. Whether CIT(E) Delhi justified in cancelling Registration No. P-1589648 dated 28.08.2012 granted to appellant under section 12A with retrospective effect from A.Y. 2016-17 without giving specific opportunity to the assessee ?

7. That order of the CIT(E) Delhi under section 12AA(3) read with section 12AA(4) dt.22.03.2021 is passed without providing adequate opportunity of hearing to the assessee denying the Principles of Natural justice hence liable to be set aside/quashed.

8. Whether on the facts and circumstances of the case and in law, the CIT(E) Delhi erred in not confronting the appellant with adverse material, if any, "based on information gathered from credible sources" or cross examination of alleged persons ?

9. Whether on the facts and circumstances of the case and in law, the CIT(E) Delhi is entitled to see the genuineness and creditworthiness of transactions, donations, and donors etc whereby assuming the jurisdiction of Assessing officer as if assessment proceeding is going on ?

10. Whether on the facts and circumstances of the case and in law, the entire findings of the CIT(E) Delhi, are based upon arbitrary assumptions, conjectures, surmises, irrelevant materials and dehors the actual facts for which the appellant has been granted vide Registration No. P-1589648 dated 28.08.2012 under section 12A hence liable to be set aside ?

11. The CIT(E) Delhi, ought to have not been relied upon false and frivolous cooked up news reports and channel footages, while taking decision of cancellation of 12A registration granted to the appellant once vide Registration No. P-1589648 dated 28.08.2012 under Income Tax Act, 1961.

12. The CIT(E) Delhi, ought to have been reckoned the Philanthropic activities, helping needy, supporting the whole country in devastation, cremation of pandemic dead bodies and such type of humanitarian services provided by the appellant since inception, while cancelling already granted 12A registration vide Registration No. P-1589648 dated 28.08.2012 under Income Tax Act, 1961.

13. Whether the registration of a society once done is a fait accompli and the Assessing Officer cannot thereafter make further probe into the objects of the society and send proposal for cancellation of registration under section 12AA to CIT(E) Delhi ?

14. The Appellant craves leave to add, to amend, to alter and/or to delete all or any of the above grounds of appeal.”

3. This appeal was first listed before us on 10.08.2022, on which date none appeared on behalf of the assessee and the appeal was adjourned with a direction to issue fresh notice.

4. A fresh notice was issued on 16.08.2022 directing the assessee to attend the appellate proceedings before us today, i.e. 14.11.2022.

5. Once again, none appeared on behalf of the assessee in spite of notice. Therefore, we decided to proceed ex parte.

6. The ld. DR was heard at length who placed strong reliance on the order of the ld. CIT(E), Delhi.

7. We have carefully perused the order of the ld. CIT(E) vis a vis the grounds of appeal. We find that the assessee society was created with the following objects:

1. *To promote national integration, communal amity and social harmony and uphold the democratic set up, secular order and rule of law in the country.*
2. *To work for peace, progress and prosperity in the country and to strengthen goodwill and brotherhood among different communities.*
3. *To help establish a social order based on freedom, justice and security for all.*
4. *To strive for an alternate non-destructive socio economic development model, which is eco friendly and sustainable.*
5. *To work for the welfare and progress of the weaker sections in various part of India.*
6. *To adopt suitable means to protect the dignity, Lives and properties of the marginalized sections to work for their empowerment*
7. *To endeavor for the protection of the cultural, Social and religious identity of the tribal, the dalits and the minorities.*
8. *To identify and check the menaces of casteism, communalism and fascism.*

9. *To make plans for the social, economic and educational development of minorities and backward classes.*
10. *To educate the under privileged and exploited classes about their rights.*
11. *To mobilize people against the violation of human rights and protect the civil and political rights of the people of India.*
12. *To work for unity and solidarity among the different socially and educationally backward classes.*
13. *To co-ordinate and unite various efforts in different regions and states in India for the socio-economic development of the people.*
14. *To organize common programmes for the development of intellectual and management skills of social activists.*
15. *To help the members strengthen the ideological, conceptual, spiritual, physical and social capabilities.*
16. *To create awareness among the people about the threats of the neocolonialism, imperialism and other forms for totalitarianism.*
17. *To do all such other lawful acts, deeds and thing as are incidental or conductive to the attainment of the above objects or any them*

8. A perusal of the aforestated objects show that the assessee society is created to promote national integration, communal amity and social harmony and uphold the democratic set up, secular order and rule of law in the country. There are in total 17 objects mentioned in the Memorandum of Association. The Ministry of Home Affairs, vide Notification dated 27.09.2022 published in the Gazette of India dated 28.09.2022, inter alia, notified as under:

“And Whereas, the Central Government is of the opinion that it is necessary to exercise its powers under sub-section (1) of section 3 of the Unlawful Activities (Prevention) Act, 1967, (37 of 1967) (hereinafter referred to as the Act) in view of the above stated reasons, which is substantiated by the following facts; namely,

(i) the PFI is involved in several criminal and terror cases and shows sheer disrespect towards the constitutional authority of the country and with funds and ideological support from outside it has become a major threat to internal security of the country,

(ii) investigations in various cases have revealed that the PFI and its cadres have been repeatedly engaging in violent and subversive acts. Criminal violent acts carried out by PFI include chopping off limb of a college professor, cold blooded killings of persons associated with organisations espousing other faiths, obtaining explosives to target prominent people and places and destruction of public property,

(iii) the PFI cadres have been involved in several terrorist acts and murder of several persons, including Sh. Sanjith (Kerala, November, 2021), Sh. V.Ramalingam, (Tamil Nadu, 2019), Sh. Nandu, (Kerala, 2021), Sh. Abhimanyu (Kerala, 2018), Sh. Bibin (Kerala, 2017), Sh. Sharath (Karnataka, 2017), Sh. R.Rudresh (Karnataka, 2016), Sh. Praveen Pujari (Karnataka, 2016), Sh. Sasi Kumar (Tamil Nadu, 2016) and Sh. Praveen Nettaru (Karnataka, 2022) and the above criminal activities and brutal murders have been carried out by PFI cadres for the sole objective of disturbing public peace and tranquility and creating reign of terror in public mind,

(iv) there had been a number of instances of international linkages of PFI with Global Terrorist Groups and some activists of the PFI have joined Islamic State of Iraq and Syria (ISIS) and participated in terror activities in Syria, Iraq and Afghanistan. Some of these PFI cadres linked to ISIS have been killed in these conflict theaters and some have been arrested by State Police and Central Agencies and also the PFI has linkages with Jamat-ul-Mujahideen Bangladesh (JMB), a proscribed terrorist organization,

(v) the Office bearers and cadres of the PFI along with others are conspiring and raising funds from within India and abroad through the banking channels, and the hawala, donations, etc. as part of a well-crafted criminal conspiracy, and then transferring, layering and integrating these funds through multiple accounts to project them as legitimate and eventually using these funds to carry out various criminal, unlawful and terrorist activities in India,

(vi) the sources of deposits on behalf of PFI with respect to its several bank accounts were not supported by the financial profiles of the account holders and the activities of PFI were not being carried out as per their declared objectives and therefore, the Income Tax Department cancelled the registration granted to PFI under section 12A or 12AA of the Income Tax Act, 1961 (43 of 1961). The Income Tax Department also cancelled the registration granted to Rehab India Foundation under section 12A or section 12AA of the Income Tax Act, 1961,

(vii) the State Governments of Uttar Pradesh, Karnataka and Gujarat have recommended to ban PFI.

And Whereas, the PFI and its associates or affiliates or fronts have been involved in the violent terrorist activities with an intent to create a reign of terror in the country, thereby endangering the security and public order of the state, and the anti-national activities of PFI disrespect and disregard the constitutional authority and sovereignty of the state and hence an immediate and prompt action is required against the organisation;

And Whereas, the Central Government is of the opinion that if there is no immediate curb or control of unlawful activities of the PFI and its associates or affiliates or fronts, the PFI and its associates or affiliates or fronts, will use this opportunity to -

- (i) continue its subversive activities, thereby disturbing public order and undermining the constitutional set up of the country;*
- (ii) encourage and enforce terror based regressive regime;*
- (iii) continue propagating anti-national sentiments and radicalize a particular section of society with the intention to create disaffection against the country;*
- (iv) aggravate activities which are detrimental to the integrity, security and sovereignty of the country;*

And Whereas, the Central Government for the above-mentioned reasons is firmly of the opinion that having regard to the activities of the PFI, it is necessary to declare the PFI and its associates or affiliates or fronts to be unlawful association with immediate effect;

Now, Therefore, in exercise of the powers conferred by sub-section (1) of section 3 of the Unlawful Activities (Prevention) Act, 1967 (37 of 1967), the Central Government hereby declares the Popular Front of India (PFI) and its associates or affiliates or fronts including Rehab India Foundation (RIF), Campus Front of India (CFI), All India Imams Council (AIC), National Confederation of Human Rights Organization (NCHRO), National Women's Front, Junior Front, Empower India Foundation and Rehab Foundation, Kerala as an "unlawful association";

And Whereas, the Central Government, having regard to the above circumstances, is of firm opinion that it is necessary to declare the PFI and its associates or affiliates or fronts as an unlawful association with immediate effect, and accordingly, in exercise of the powers conferred by the proviso to sub-section (3) of section 3 of the said Act, the Central Government hereby directs that this notification shall, subject to any order that may be made under section 4 of the said Act, have effect for a period of five years from the date of its publication in the Official Gazette."

9. The above mentioned Gazette notified by the Ministry of Home Affairs clearly demonstrates the malafides of the assessee society.
10. Considering the aforementioned Notification, the appeal of the assessee is dismissed.

11. In the result, the appeal of the assessee in ITA No. 465/DEL/2021 is dismissed.

The order is pronounced in the open court on 14.11.2022.

Sd/-

**[KUL BHARAT]
JUDICIAL MEMBER**

Sd/-

**[N.K. BILLAIYA]
ACCOUNTANT MEMBER**

Dated: 14th November, 2022.

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. 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	
Date of dispatch of the Order	