

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DEHRADUN CIRCUIT BENCH: DEHRADUN**

**BEFORE, SHRI SAKTIJIT DEY, VICE PRESIDENT
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

**ITA No.26/DDN/2023
(Assessment Year: 2023-24)**

Uttarakhand Bamboo & Fiber Development Board, Watershed Management Directorate, Forest Colony, Indra Nagar, Dehradun	Vs	CIT(Exemption), Gomti Nagar, Lucknow
PAN -AABFU5526G		
(Appellant)		(Respondent)

Appellant By	Sh. Alok Jain, CA Sh. Anubhav Jain, Advocate
Respondent by	Smt. Poonam Sharma, Addl. CIT
Date of Hearing	21.06.2023
Date of Pronouncement	23.06.2023

ORDER

This is an appeal by the assessee against order dated 31.03.2023 passed by learned Commissioner of Income Tax (Exemption) [hereinafter referred to as 'the CIT(E)'] pertaining to assessment year 2023-24.

2. Though the assessee has raised several grounds of appeal, the only effective issue to be decided in this appeal is as to whether the learned CIT(E) was justified in rejecting the claim of recognition of the assessee under section 80G of the Act in the facts and circumstance of the instant case.

3. We have heard the rival submissions and perused the materials available on record. The assessee is a registered society and registered under the Societies Registration Act, 1860 in the state of Uttarakhand. The assessee's society has been promoted by the State Government of Uttarakhand and all members of the society are ex-officio Government Officers. The main object of the assessee society is preservation of environment (including watersheds, forests and wildlife) including advancement of any other object of general public utility. Hence, it squarely falls within the definition of charitable purpose as defined under section 2(15) of the Act. The assessee society is duly registered under section 12AA of the Act w.e.f. 07.07.2003. Pursuant to the amendment in the statute, the assessee applied for fresh registration in Form No.

10A on 30.03.2022 and obtained fresh registration certificate in Form 10AC dated 06.04.2022 under section 12A of the Act for a period of 5 years from the office of learned CIT(E).

4. The assessee society was registered under the provisions of section 80G of the Act vide order dated 03.09.2007. Pursuant to the amendment in the statute, the assessee applied for fresh recognition under section 80G of the Act and assessee received provisional registration for a period of 3 years under section 80G in Form 10AC dated 06.04.2022. Since, the assessee started its activities, it had preferred an application for final approval in Form 10AB on 27.09.2022. A notice from learned CIT(E) dated 26.12.2022 was issued to the assessee calling for various details that are purely general in nature. The assessee was directed to furnish the said information on 10.01.2023, which was duly complied with by the assessee. Thereafter, learned CIT(E) directly rejected the application of the assessee for final recognition under section 80G of the Act vide his order dated 31.03.2023 by observing as under:

“4. In response to the notice, reply has been filed. A perusal of the reply filed by the assessee it is noticed that Uttarkhand Bamboo & Fiber Development board is an authority, constituted by the Government, for development of bamboo along with providing encouragement mobilizing marginalized community to form self help group, MahilaMangal dal, YuvakMangal dal etc, hence not eligible for registration under section 80G. Assessee failed to file supporting documentary evidences with regard to charitable activities. Thus the genuineness of the activities does not get established.

6. As discussed above, the applicant has failed to file documentary evidences to enable me to satisfy about the genuineness of its charitable activities.

7. The applicant failed to comply with the terms and conditions of section 80G(5)(i) of the Act, as derived fund of the institution is liable to be inclusion in its total income under the provisions of sections 11 and 12 of the Act.

9. Considering to the above facts, I am unable to arrive at the satisfaction about the charitable nature of activities. Hence, the application filed in Form No. 10AB for the registration u/s. 80G of the I.T. Act, 1961, is hereby rejected.”

5. The main grievance of learned AR before us is that learned CIT(E) having issued a detained questionnaire, which was duly complied with by the assessee, ought to have spelt out his mind by issuing another show-cause notice, as to why the activities carried out by the assessee are not genuine and not charitable in nature. The learned AR only pleaded for restoring of this appeal to the learned CIT(E) so that the actual grievance of learned CIT(E) could

be understood and addressed. Learned DR fairly agreed to the same.

6. It is a fact that learned CIT(E) after getting the reply of the detailed questionnaire issued by him has not issued any show-cause notice to the assessee clearly spelling out his mind, how the activities of the assessee are not charitable and not genuine. We deem fit and appropriate, in the interest natural justice and fairplay and hold that the assessee should be given sufficient opportunity to address its grievance before the learned CIT(E). We also direct the learned CIT(E) to specifically mention his grievance on the assessee's facts by way of proper show-cause notice addressed to the assessee. The assessee should also respond to the said show-cause notice within the allotted time or within such other time as may be granted by learned CIT(E). The learned CIT(E) is directed to pass a speaking order in accordance with law. With these directions, the grounds raised by the assessee are allowed for statistical purposes by restoring to the file of learned CIT(E).

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in Open Court on 23rd June, 2023

Sd/-
(SAKTIJIT DEY)
VICE PRESIDENT

Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 23/06/2023

RK/Sr.PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI
(Dehradun Circuit Bench, Dehradun)