

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE 'B' BENCHES:: PUNE

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER &
SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER

ITA No.1011/PUN/2023

Shree Sangli Kutch Jain Seva Samaj, C.S.No. 181, Kutchi Jain Bhavan, Near Ram Mandir Corner, Sangli-Miraj Road, Sangli-416416. PAN: AACTS 9371 E	vs	CIT (Exemption), Pune.
Appellant		Respondent

Assessee by	:	None
Revenue by	:	Shri Ajay Kumar Kesari, DR
Date of hearing	:	17/10/2023
Date of pronouncement	:	17/10/2023

ORDER

Per PARTHA SARATHI CHAUDHURY, JM:

This appeal preferred by the assessee emanates from the order of Commissioner of Income Tax (Exemption), Pune (for short, 'CIT(E)') dated 29.06.2023 as per the grounds of appeal on record.

2. The only grievance of the assessee in this appeal is the rejection of application for registration u/sec. 12AA of the Act by the Department.

3. At the outset, we observe that this appeal is time barred by 19 days and the assessee has filed an affidavit along with condonation petition for the said delay. We have gone through the contents of such affidavit and condonation petition, and find that, the reasons for

delay of 19 days in filing the present appeal cannot be attributed to any deliberate or intentional conduct of the assessee, if any, and/or completely driven by circumstances only. Ld.DR did not have any objection for condoning this delay. Considering these facts on record, we condone the delay of 19 days and accordingly, the present appeal is heard on merits.

4. At the time of hearing, none appeared for the assessee. The submissions of the Id.DR and the materials/documents on record are considered.

5. We observe from the order of the Id. CIT(E) that the assessee had filed application for grant of registration u/sec. 12AA of the Act before the Department as per the requisite form and as per the various prescribed procedures for such application. The said application was perused by the Id. CIT(E), and in order to verify the genuineness of the activities and whether the assessee is complying with the relevant laws for the time being in force while doing activities as per its objects, certain details were called for from the assessee. The assessee was to submit compliance by 30/03/2023. Thereafter, the assessee submitted the details in response to the said notice, and on perusal of those details/documents various discrepancies were noticed by the Department. That, another notice was issued to the assessee asking for clarification regarding these discrepancies and to submit compliance by 27/06/2023, however, to this notice, the

assessee neither submitted any explanation nor availed the opportunity of being heard, and it was presumed, accordingly, by the Id. CIT(E) that the assessee has nothing to say regarding the discrepancies pointed out and resultantly, the application for grant of registration under 12AA filed by the assessee was rejected.

6. We are of the considered view that it is a case where the application for registration of a trust was filed by the assessee, and for want of supporting evidences, the matter was rejected by the Department. It has to be appreciated that the purpose of the provisions for registration of trust u/sec. 12AA and granting of exemption u/sec. 80G, all these sections derives their spirit from the Directive Principles of State Policy enshrined in the Constitution of India. Since, the Govt. of India makes endeavor to provide welfare to one and all in the society at large and in view thereof the registration for public charitable trusts are given in order to ensure that through these charitable trusts benefits should flow to the entire society wherefrom various charitable activities, the entire society is benefited and the objectives of the Govt. of India in furtherance to the Directive Principles of State Policy are achieved. These provisions for the trust registration and granting of exemption u/sec. 80G enhance the socio economic welfare in the society. Furthermore, the Income Tax laws are welfare legislations and not penal in nature. Therefore, in the interest of justice and considering all the afore-stated observations, we

are of the considered view that one final opportunity should be provided to the assessee to file the relevant details before the Id.CIT(E) and present their case on merits. In view thereof, we set aside the order of the Id. CIT(E) and remit the matter back to his file with the aforesaid direction and the Id. CIT(E) shall adjudicate *denovo* as per law complying with the principles of natural justice. Grounds of appeal of the assessee stands allowed for statistical purpose.

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

Order pronounced in open Court on 17th October, 2023.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Dated : 17th October, 2023

vr/-

Copy to :

1. The Appellant.
2. The Respondent.
3. The Pr. CIT concerned.
4. The DR, ITAT, "B" Bench Pune.
5. Guard File.

By Order

// TRUE COPY //

Senior Private Secretary
ITAT, Pune.