

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH:: NAGPUR

BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER &
SHRI G.D. PADMAHSHALI, ACCOUNTANT MEMBER
(Through virtual hearing)

ITA No.44/NAG/2021

Vidarbha Defence Industries Association, E-57, 57A Shop, Shewalkar Garden, S.A. Road, Nagpur-440022 PAN: AAGCV 3563 L	vs	CIT Exemption, Pune.
Appellant		Respondent

Assessee by	:	Miss Kashish Chelani
Revenue by	:	Shri Kailash Kanojiya
Date of hearing	:	20/11/2023
Date of pronouncement	:	22/11/2023

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 30.03.2021 as per the grounds of appeal on record.

2. The solitary grievance of the assessee is the rejection of application for registration u/sec. 12AA of the Act.

3. We have heard the rival submissions and have considered the facts and circumstances, documents/materials on record and we have also given considerable thought to the submissions of the parties made before us.

4. That, on perusal of the order of Id.CIT(E), specifically para 3, it is observed that the Memorandum of Association (MoA) and other details which were uploaded, were not self-certified and hence, the assessee applicant was requested, specifically, to furnish the self-certified copies of MoA and other documents, but the assessee had failed to comply with such directions. Further, at para 4.2, the assessee had not furnished explanation and details regarding the beneficiaries and how the event was related to its object of promotion of business initiative amongst the tribal and backward communities. That, the news articles which were submitted by the assessee also, did not give any details about any help for the tribal and backward community during the time of conference. That, further, the assessee has submitted that certain amounts were received as sponsorship for the seminar. However, the PAN and complete address of the sponsor was not furnished. That, for all these discrepancies and non-furnishing of documentary evidences, it was not possible for the Id.CIT(E) to determine the genuineness of the objects of the trust whether it was complying with the relevant laws applicable for the time being in force and, hence, the application for registration was denied and rejected.

4.1 This is a case, where the applicant is seeking registration u/sec. 12AA and once, the Id.CIT(E) is satisfied as per requirement of the said provision, then he may grant the said registration. In the present scenario since various details and documentary evidences were not

furnished by the assessee to reach the stage of satisfaction by Id.CIT(E) as provided u/sec. 12AA of the Act hence was not possible for him to accept the prayer of the assessee. The very factum that Income Tax Act is within the ambit of welfare legislation, one final opportunity should be provided to the applicant-assessee to furnish details before the Id.CIT(E) and thereafter, the Id.CIT(E) may decide accordingly as per law. It has to be appreciated that the purpose of the provisions for registration of trust u/sec. 12AA, all these provisions 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 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.

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

Order pronounced in open Court on 22nd November, 2023.

Sd/-
(G.D. PADMAHSHALI)
ACCOUNTANT MEMBER

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Dated : 22nd November, 2023

vr/-

Copy to :

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

By Order

// TRUE COPY //

Senior Private Secretary
ITAT, Pune.