

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

BEFORE SHRI R.S. SYAL, HON. VICE PRESIDENT &
SHRI PARTHA SARATHI CHAUDHURY, HON. JUDICIAL MEMBER

ITA No.1164/PUN/2023

Janata Gram Vikas Pratisthan, A/p – Gurav Pimpri, Tal – Karjat, Dist. Ahmednagar-414402. PAN: AABTJ 9266 C	vs	CIT (Exemption), Pune.
Appellant		Respondent

Assessee by	:	None
Revenue by	:	Shri Keyur Patel, CIT-DR
Date of hearing	:	11/12/2023
Date of pronouncement	:	11/12/2023

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 20.09.2023 as per the grounds of appeal on record.

2. The only grievance of the assessee in this appeal is the rejection of registration to the assessee-trust u/sec. 12AB of the Act by the Id.CIT(E).

2.1 At the time of hearing, none appeared on behalf of the assessee. The submissions of the Id. DR and the documents on record were considered and the case was heard on merits.

2.2 That, on perusal of the order of Id. CIT(E), certain details were

called for from the assessee to verify the genuineness of the objects of the assessee-trust and to ascertain the genuineness of the charitable activities done by the applicant-trust and also whether compliance made regarding the applicable laws in force while achieving the charitable objects of the trust. There were opportunities given by the Department to the assessee for submission of supporting evidences to demonstrate the aforesaid and the charitable activities performed by the trust. However, at para 8, the Id. CIT(E) mentions that the assessee has failed to explain with supporting documentary evidences about the nature and source of cash deposits and also the reasons for cash withdrawals from bank and subsequent utilization of the withdrawn amounts. Therefore, at para 9, Id. CIT(E) held that assessee has failed to prove the genuineness of the activities and compliance to requirements of any other law for the time being in force by the trust as are material for the purpose of achieving its objects, hence, the application of the assessee was rejected.

3. 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 u/sec. 12AA 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. That, after all the power always remains with the Id.CIT(E) as per the Act to either grant or reject the application regarding the concerned issue but that decision should come after examining and verifying all documentary evidences furnished by the applicant-assessee. 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 re-adjudicate as per law complying with the principles of natural justice. Grounds of appeal of the assessee are allowed for statistical purpose.

4. In the result, appeal of the assessee stands allowed for statistical purpose.

Order pronounced in open Court on 11th December, 2023.

Sd/-
(R.S. SYAL)
VICE-PRESIDENT

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Dated : 11th December, 2023

vr/-

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT (Exemption), Pune.
4. The DR, ITAT, "B" Bench Pune.
5. Guard File.

By Order

// TRUE COPY //

Senior Private Secretary
ITAT, Pune.