

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

**Before Dr. B. R. R. Kumar, Accountant Member,
Shri Yogesh Kumar US, Judicial Member**

ITA No. 78/Del/2021

Quami IT Ahadi Muslim Welfare Society, Near Bus Stand, Noorpur, UP 246701	Vs	The CIT(E), Lucknow
(APPELLANT)		(RESPONDENT)
PAN No. AAAAQ 0323 M		

**Assessee by : Written Application
Revenue by : Ms. Sapna Bhatia, CIT-DR**

Date of Hearing: 01.11.2023	Date of Pronouncement: 18.01.2024
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ORDER

Per Dr. B. R. R. Kumar:-

The present appeal has been filed by the assessee against the order of Id. CIT(E) dated 09.12.2020.

2. The assessee has raised the following grounds of appeal:-

1. *That the order of the honourable CIT-Exemp is illegal, arbitrary and unjust.*
2. *That the society is doing various charitable activities like distributing of blankets ,scholarships ,helping pOor girls in their marriages.*
3. *That the assessee has given proper evidences and vouchers of charitable activities.*
4. *That the Assessee is giving interest free advances to pOors and taking amanats from general masses which is allowed in Islamic finance. That this object is properly mentioned in our Memorandum of Association.*

5. *That due to COVID 2019, it was not possible for the assessee to come personally Lucknow*

3. The above named society/trust has filed an application for registration u/s 12A(a) of the Income Tax Act, 1961 on 12.10.2019 with the Commissioner of Income Tax(Exemptions), Lucknow. The applicant was accorded an opportunity of being heard by the CIT(E), Lucknow vide office letter F.No. ITBA/EXM/F/42/2020-21/1027110128(1) dated 12.05.2020, sent to the applicant at the address provided in its PAN through Speed Post and simultaneously posted on its e-filing portal also, calling for specific queries regarding its application for registration u/s 12A of the Act, for compliance on 18.06.2020 but no compliance has been made. In the interest of natural justice two more opportunities of being heard were provided to the assessee vide this office letter F.No. ITBA/EXM/F/41/2020-21/1027171099(1) dated 28.05.2020 for compliance on 15.06.2020.

4. The Id. CIT(E) held that as per the section 12AA(1) (a) of the Income Tax Act, 1961 "*The Commissioner shall call for such documents or information from the trust or institution as he thinks necessary in order to satisfy himself about the genuineness of the trust or institution. Thus it becomes imperative on the part of the applicant society to provide corroborating evidences regarding the genuineness of the activities of the applicant which is mandated by law. In the absence of such satisfaction, the applicant loses its eligibility for consideration for registration u/s 12A of the Act.*"

5. The Id. CIT(E) held that on examination of the annual accounts of the society, it is noticed that the society is involved in disbursing loan for fee/interest. A perusal of the Balance Sheet and Income & Expenditure account shows that the society

has given loan to the tune of Rs. 3,88,37,550/-and received the fee against these loan amounting to Rs. 26,07,953/-during F.Y. 2018-19. The Id. CIT(E) held that the society has not incurred any expenses charitable activities other than meager amount of Rs. 2,24,015/- under vague head in the name of Social Welfare but no evidence such as bills and vouchers etc has been submitted by the applicant to substantiate its claim of charitable activities.

6. The Id. CIT(E) held that, it is also noted that the object of the society does not have any such clause for disbursing for fee/interest, however as per annual accounts of the society the major income and expenditure are related to these activities. Therefore it is evident that the society is not engaged in carrying out any kind of charitable activities in the pursuit of its objects, hence it is not considered is eligible to registration u/s 12AA of the Income Tax Act, 1961. Holding thus the Id. CIT(E) rejected registration under section 12AA of the Income Tax Act.

7. Aggrieved, the assessee filed appeal before the ITAT.

8. Heard the arguments of Id. DR & written submission of the assessee and perused the material available on record.

9. Having gone through the entire facts before us, we find that no prejudice would be causes to the Revenue, if the matter is remanded back to Id. CIT(E) for examination of the issue *denovo*. The assessee shall present himself before the Id. CIT(E)

and furnish all the relevant details sought without seeking unnecessary adjournments.

10. In the result, the appeal of the assessee is allowed for statistical purpose.

Order Pronounced in the Open Court on 18/01/2024.

Sd/-
(Yogesh Kumar US)
Judicial Member

Sd
(Dr. B. R. R. Kumar)
Accountant Member

Dated: 18/01/2024

NV, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, DELHI

		Date
1.	Draft Dictated on computer direct	16.01.2024
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8.	Date on which file goes to the AR	
9.	Date of dispatch of Order.	