

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH "B", PUNE

SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER  
AND  
SHRI G.D. PADMAHSHALI, ACCOUNTANT MEMBER

ITA No.1233/PUN/2023

Suresh Chandekar Smruti Pratishtapan  
Shreekrupa, Lane No.2,  
Dahanukar Colony,  
Kothrud, Pune – 411038

PAN: AAETS0519C

... Appellant

Vs.

The CIT(Exemption), Pune

... Respondent

Assessee by : Shri Sharad Vaze

Respondent by : Shri Ajay Kumar Kesari

Date of Hearing : 24-01-2024

Date of Pronouncement : 25-01-2024

**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 22.09.2023 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. We have heard the rival contentions and perused the materials/documents on record. 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 15/06/2023. 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 30/06/2023, 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.

4. 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.

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

Order pronounced in the open Court on this 25<sup>th</sup> day of January, 2024.

Sd/-  
**(G.D. PADMAHALI)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(PARTHA SARATHI CHAUDHURY)**  
**JUDICIAL MEMBER**

Pune; Dated, the 25<sup>th</sup> January, 2024  
GCVSR

**Copy of the Order forwarded to :**

1. The Appellant.
2. The Respondent.
3. D.R. ITAT 'B' Bench
4. Guard File

*//True Copy//*

BY ORDER,

Sr. Private Secretary  
ITAT, Pune.