

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

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

ITA No.95/PUN/2024

Small Industries Foundation, Plot No.2, Ashirwad, Akshay Co-op. Society, Shahu College Road, Parvati, Pune.  PAN: AAATS 4457 M	vs	CIT (Exemption), Pune.
Appellant		Respondent

Assessee by	:	Mrs. M.N. Kulkarni, CA
Revenue by	:	Shri Ajay Kumar Keshari, DR
Date of hearing	:	08/03/2024
Date of pronouncement	:	08/03/2024

ORDER

Per PARTHA SARATHI CHAUDHURY, JM:

This appeal preferred by the assessee emanates from the order of Commissioner of Income Tax (Exemption), Pune, dated 16.11.2023 as per the following grounds of appeal:-

- "1. CIT(E), Pune has erred in rejecting registration to the trust u/sec. 12AB of the Act. Appellant prays for grant of registration.*
- 2. CIT(E) has erred in not being just and fair and rejected registration u/sec. 12AB to the trust.*
- 3. CIT(E) has erred not being just, judicious and fair. Appellant prays for just and equitable relief.*
- 4. Appellant prays to add, alter, amend, take additional grounds, submit additional evidence, and/or withdraw the ground/s, during appellate proceedings."*

2. That, on perusal of the grounds of appeal, it is evident that solitary grievance of the assessee is the rejection of registration to the assessee-trust u/sec. 12AB of the Act by the Id. CIT(E).

3. That, on perusal of the order of Id. CIT(E), it is observed that certain details were called for from the assessee to verify the genuineness of the objects of the assessee-trust and to ascertain whether the applicable laws in force are complied with while performing charitable activities as per its object clause. There were opportunities given by the Department to the assessee for submission of supporting evidences in terms with sec.12AA of the Act. However, at para 3, the Id. CIT(E) mentions that since the assessee has not furnished any explanation to the discrepancies communicated to it, it is presumed that the assessee has nothing to say in the matter. That, at para 4, Id. CIT(E) accordingly held that he was unable to draw any satisfactory conclusion about the genuineness of the activities of the assessee and whether there was compliance of any other lawS for the time being in force by the assessee which are relevant for the purpose of achieving its objects and therefore, the application of 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. 12AB 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 of the Directive Principles of State Policy are achieved. These provisions for the registration of a trust u/sec. 12AB 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 its case on merits. In view thereof, we set aside the order of the Id. CIT(E) and remand 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 purposes.

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

Order pronounced in open Court on 08<sup>th</sup> March, 2024.

Sd/-  
(INTURI RAMA RAO)  
ACCOUNTANT MEMBER

Sd/-  
(PARTHA SARATHI CHAUDHURY)  
JUDICIAL MEMBER

Dated : 08<sup>th</sup> March, 2024  
vr/-

Copy to :

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

By Order

// TRUE COPY //

Senior Private Secretary  
ITAT, Pune.