

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'G': NEW DELHI**

**BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER
AND
SHRI AVDHESH KUMAR MISHRA, ACCOUNTANT MEMBER**

ITA No.2965/De1/2022

Shri Ram Mandir Satsang Bhawan Samiti Ramjasroad 61/4 Barsati Floor, Ramjas Marg, Karol Bagh, New Delhi PAN : ABCTS7852B	Vs.	CIT(Exemption) New Delhi
(Appellant)		(Respondent)

Appellant by	Ms. Shivani, Adv.
Respondent by	Sh. Dharm Veer Singh, CIT-DR

Date of Hearing	23/04/2024
Date of Pronouncement	23/04/2024

ORDER

PER AVDHESH KUMAR MISHRA, AM

The appeal filed by the assessee is directed against the order, dated 27.10.2022, of the Commissioner of Income Tax (Exemption), New Delhi [In short 'the CIT(E)'] rejecting the

request for registration u/s 12A(1)(ac)(iii) of the Income Tax Act, 1961 (In short 'the Act').

2. The relevant facts giving rise to this appeal are that the appellant-assessee is a registered society under the Society Registration Act (XXI of 1860) w.e.f. 20.12.2021. The provisional registration under the Act was granted vide order dated 31.03.2022 by the CIT(CPC), Bangalore. Thereafter, it applied for the regular registration under Section 12AB of the Act on 02.04.2022. However, the CIT(E), vide impugned order, rejected the request of the appellant-assessee for granting registration under Section 12AB of the Act. Hence, this appeal is before us.

3. The appellant-assessee has raised six grounds of appeal which revolve around the sole and substantive issue of rejection of registration of the appellant-assessee under Section 12AB of the Act.

4. The appellant-assessee filed e-application for the registration u/s 10AB of the Act on 2nd April, 2022. The Ld. CIT(E) asked various details, documents, etc. vide his letter

dated 18.10.2022. The said letter dated 18.10.2022 is extracted on page 3-4 of the impugned order. The appellant-assessee did not submit the requisite details, documents, etc. to the satisfaction of the CIT(E); hence, the registration of the appellant-assessee u/s 12AB was rejected on the reasoning that the appellant-assessee had failed to prove the genuineness of its activities with corroboratory evidences.

5. The CIT(E) rejected granting of registration on the solitary reason of non-satisfaction about the genuineness of the activities carried out by the appellant-assessee. The Ld. AR, during the course hearing before us, admitted that the appellant assessee filed its submission, on-line, during the course of registration proceedings before the CIT(E); however, it failed to upload the corroboratory evidences of various expenses. Thus, it was claimed that the case was not properly presented before the CIT(E). Further, it was submitted by the Ld. AR that the appellant-assessee failed to demonstrate its charitable activities with the corroboratory evidences during the course of registration proceedings before the CIT(E). The ld. AR

placed reliance on the decision of the ITAT in the cases of Movement against Diabetes & Endocrine Disorders (ITA No. 9397/Del/2019), Fifth Generation Education Society 185 ITR 634, Artemis Education & Research Foundation Commissioner of Income-tax (Exemptions), ITA no. 7475/Del/2017, Dharma Sansthapak Sangh, ITA no. 3534/Del/2007 and Bhartiya Kisan Sangh Sewa Niketan, ITA No. 6721/Del/2015.

6. The Ld. DR placed emphasis on the order of the CIT(E) and submitted that the appellant-assessee failed to demonstrate that it has existed for charitable activities though the CIT(E) provided sufficient opportunities of being heard to the appellant-assessee; hence the registration had been rightly rejected. The Ld. DR argued for upholding of the order of the CIT(E).

7. Heard the rival contentions and perused the case record. As submitted by the appellant-assessee, it is running an old temple taken over from another un-registered trust for further expansion & development. It has been claimed by the appellant-assessee that it is also engaged in charitable activities besides

running the temple. The purpose of granting registration to various trust under the Income Tax Act is to provide welfare to one and the all in the society to achieve the directive principles of the state policy. The relevant year is the first year after the existence of the appellant-assessee and therefore, it had not carried out much activities. At the initial stage, the objectives for which the appellant-assessee existed need to be looked into rather than the genuineness of expenses, which is the domain of the Assessing Officer. Granting of registration u/s 12AB and granting of approval u/s 80G of the Act enhance the socio-economic welfare in the society. Therefore, in the interest of justice and considering all the afore-stated observations, we are of the considered view that the appellant-assessee deserves reasonable opportunity of being heard to make shortcomings or non-compliances. In view thereof, without offering any comment on merit of the case we deem it fit to set aside the impugned order and remit the matter back to the file of the CIT(E) for de-novo consideration. The appellant-assessee should ensure compliances during the set-aside proceeding before the CIT(E).

The Ld. CIT(E) is also required to provide reasonable opportunities of being heard to the appellant-assessee before deciding the case on merit.

8. In the result, appeal is allowed for statistical purposes.

Order pronounced in open Court on 23rd April, 2024

Sd/-

(VIKAS AWASTHY)
JUDICIAL MEMBER

Sd/-

(AVDHESH KUMAR MISHRA)
ACCOUNTANT MEMBER

Dated: 23/04/2024
Binita, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI