

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.790/PUN/2024

Dnyanagan Education Society, Shaniwar Peth Karad, Chaitanya 467/56 Karad, Satara – 415 110 Maharashtra PAN : AADTD2704P	Vs.	CIT Exemption, Pune
Appellant		Respondent

Assessee by : Shri Kishor B. Phadke
Revenue by : Shri Keyur Patel, CIT-DR

Date of hearing : 01.08.2024
Date of pronouncement : 01.08.2024

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the assessee directed against the order of the CIT (Exemptions), dated 11.03.2024 denying registration u/s.12AB r.w.s.12A(1)(ac)(vi) of the Income-tax Act, 1961 (hereinafter also called 'the Act').

2. Brief facts of the case are that the assessee is a Trust, filed application in Form No.10AB dated 29.09.2023 seeking registration u/s.12A(1)(ac)(iii) of the Act. On receipt of the said application, the Id. CIT (Exemptions), in order to verify the genuineness of activities of the assessee trust, issued notice through ITBA portal on 29.11.2023 calling for certain information/clarification. The assessee trust furnished the requisite information. Thereafter, the CIT(Exemptions) issued another

notice to the assessee trust through ITBA portal on 29.02.2024 pointing out certain discrepancies in the information so furnished, fixing the compliance date 07.03.2014. The assessee trust could not furnish any explanation in compliance to the said notice. In the circumstances, the Id. CIT(Exemptions) drew inference that he is unable to draw any satisfactory conclusion about the genuineness of activities of the assessee and compliance of requirements of any other law, rejecting the application filed by the assessee trust.

3. Being aggrieved, the assessee trust is in appeal before the Tribunal in the present appeal.

4. At the outset, the Id. Authorized representative submits that the assessee trust was not given reasonable opportunity for compliance. Therefore, in the interest of justice, it is prayed for remand of the matter to the file of CIT (Exemptions) for *denovo* consideration of the application.

5. The Id. DR submits that the appellant trust did not comply with the notices despite giving ample opportunity. Therefore, the authorities were justified in rejecting the application by the appellant trust seeking registration u/s.12AB of the Act.

6. We heard the rival submissions and perused the relevant material on record. We find, in the present case, the assessee trust filed application in Form No.10AB dated 29.09.2023 seeking registration u/s.12A(1)(ac)(iii) of the Act. The CIT(Exemptions) rejected the application filed by the assessee trust owing to non-compliance to the notice issued through ITBA portal. On mere perusal of the contents of para no.2.2 and 2.3 of the impugned order, it would reveal that notice was issued to the assessee trust through ITBA portal on 29.02.2024

requesting the assessee trust to file explanation to the discrepancies pointed out in the above notice, on or before 07.03.2024. Undisputedly, the time given to the assessee trust for compliance is less than a week, which is against the Standard Operative Procedure ('SOP') issued by the CBDT dated 19.11.2020, wherein, minimum period of 15 days is required to be given to the assessee to comply with notices u/s 142(1) from the date of issue of the notice. Recently, the Hon'ble Delhi High Court in the case of Dauphin Travel Marketing Private Limited vs. ITO in W.P.(C) 8870/2023 & CM Nos.33516-17/2023 dated 05.07.2023 taking note of this SOP held that the grant of insufficient time to respond the notice violates the principles of natural justice and, therefore, set-aside the assessment. Thus, it is clear that the assessee trust was given unreasonably very short period of time to respond to the notice, which is against the principles of natural justice. In the light of the aforesaid facts mentioned above, we find that the approach adopted by the Id. CIT, Exemption is unreasonable and violates of the principles of natural justice. In the circumstances, we are of the considered opinion that it is a fit case to remand the matter to the file of Id. CIT, Exemption for *de novo* consideration of application in accordance with law.

7. In the result, the appeal of the appellant is partly allowed for statistical purposes.

Order pronounced on this 01st day of August, 2024.

sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Pune / Dated : 01st August, 2024.
Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "A" बेंच,
पुणे / DR, ITAT, "A" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.