



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

BEFORE SHRI PRASHANT MAHARISHI, AM
AND
SHRI Raj Kumar Chauhan, JM

ITA No. 3039/MUM/2024

A.Y.2024-25

Shree Bhayander Vardhman
Sthankwashi Jain Shravak
Sangh, Ground Floor
Mahavir Apartment B Hall
Bhali Vallay Station Road
Bhayander West Thane
401101

Vs.

CIT(Exemption)
Pune

(Appellant)
PAN

(Respondent)
AAHTS4640P

Assessee by

Shri Bhupendra Shah

Revenue by

Shri S Srinivashu CIT(DR)

Date of hearing

30th July, 2024

Date of pronouncement

30 August 2024

ORDER

PER PRASHANT MAHARISHI, AM:

01. This appeal is filed by Shree Bhayander Vardhman Sthankwashi Jain Shravak Sangh[Assessee/ Appellant] against the order passed by the learned Commissioner of Income Tax (Exemption) [learned CIT(E)], Pune dated 19.02.2024 wherein the appeal filed by the assessee for regularization of Registration u/s. 12AA of the Income Tax Act, 1961 (the Act) and Form No. 10AB under Clause (iii) of Section 12A(1)(ac) of the Act dated



29.09.2023 was rejected and provisional registration granted on 22.01.2022 u/s. 12AB was also cancelled.

02. The Assessee is aggrieved and has raised following numeral two grounds of appeal: –

“1. On the facts of the case and in Law, the learned CIT [Exemption] Pune has erred in rejecting the application u/s 12A for approval of the Appellant Trust by holding that.

- i) Trust Deed copy submitted was not self-certified Rule 17A(2)(a) by the trustee, which is an inadvertent error.
- ii) Details of date & place of each activity were not furnished by the Trust but the CIT[E] overlooked the fact it is not possible to provide because public come and attend spiritual lectures, swadhyay etc.
- iii) Details of donation received were not supported by complete postal address/ PAN of the donors, receipt no. etc by overlooking the fact that details of petty donations were already furnished on 12-1-24 for 3 last years,
- iv) By overlooking submissions made on 12-1-24 comprising of 97 pages showing expenses incurred on objects of trust.
- v) Refusing to give adjournment filed in 8-2-24 for filing more details of earmarked funds, Paushadshala hall fund, Ayambil bhavan fund, etc and other advances,



vi) By overlooking the fact that funds are accumulated for maintenance of immovable property as donations are not consistent and/or regular income and the accumulated investments are ultimately for meant for spending on objects of trust because Immovable property when became old it will require huge expenses

2. On the facts of the case and in Law, the learned CIT [Exemption] Pune has erred in rejecting the application u/s 12A for approval of the Appellant Trust by wrongly holding that the he is unable to draw any satisfactory conclusion about the genuineness of activities of the assessee and compliance of requirements of any other law for the time being in force by the assessee as are material for the purpose of achieving its objects.”

03. The brief fact of the case shows that the assessee is charitable trust filed an application for regularization of Registration u/s.12A of the Act by filing Form No.10AB on 29.09.2023. The learned CIT(E) issued notice on 23.11.2023. He has asked for several details as per Paragraph-2 of that notice which is reproduced at Pages 3 to 7 of the order. The assessee filed part details on 08.01.2023. The learned CIT(E) was also requested to grant adjournment of hearing for further submission of the detail. Same was granted upto 18.12.2023 but the assessee did not respond and, therefore, one more notice was issued on 10.01.2024. The assessee did not reply to that notice and therefore, the learned CIT(E) perused already furnished details. He found several discrepancies. Based on this, the assessee was specifically informed that in the event of failure to comply by the due date the application would be rejected. The due date was 08.02.2024, the assessee did not furnish any information



and, therefore, the learned CIT(E) dismissed the application of the assessee. Provisional registration granted was also cancelled. Therefore, the assessee is in appeal before us.

04. The learned Authorized Representative (AR) submitted a paper book containing 364 pages to support his case stating that the details have been submitted before learned CIT(E). He referred to the activities of the assessee placing reliance on the trust deed submitted on Page 45 of the paper book. He further submitted e-filing acknowledgement of information submitted on 29.09.2023, which is claimed to be compliance of the notice of the learned CIT(E). He further submitted that the self-certified copy of the trust deed not submitted was merely an inadvertent error. Further with respect to the date and place of each of the activities, he submits that it is the organization of spiritual lectures etc. Where people attend, is a routine activity of the assessee. The assessee has also submitted the details of petty donations received for the last three years on 12.01.2024. Further, he claimed that assessee has submitted all the information required. He further referred to the communication made with the learned CIT(E) at pages 61 to 71 of the paper book. Therefore, the learned CIT(E) should have considered such information before reaching at conclusion.
05. The learned DR vehemently supported the order of the learned CIT(E) and submitted that when the assessee did not submit any information on seven points stated at Paragraph No.2.2 of his order, rejection of the application is proper.
06. We have carefully considered the rival contentions and have perused the orders of the learned CIT(E). We find that the assessee is a trust carried on charitable activities like arrangement of food for conducting pooja and relief to poverty. The activities are for the benefit of public at large. The assessee has also submitted the



details on 12.01.2024 as per letter placed at Page No.68 of the paper book. There is no reference of the information submitted on that date in the order of the Id CIT (E) Thus, it is true that the learned CIT(E) has issued the show cause notice on 01.02.2024 but there is no reference of the details submitted on 12.01.2024 and how same is dealt with by the learned CIT(E). The observation of the CIT(E) has raised seven points which was not stated to have been replied by the assessee and, therefore, it was held that the learned CIT(E) was not able to draw any satisfactory conclusion about the genuineness of the activities and compliance of requirement of any other law. Regarding the genuineness of the activities the assessee has provided the details of various expenditure of various activities for the year ended on 31.03.2022 at page no. 28 of the paper book wherein the total expenditure of Rs.15,75,738/- were spent. The assessee has also spent sum of Rs.12,74,626/- for the year ended on 31.03.2023 on the object of the trust. There is no comment by the learned CIT(E) on the activities of the assessee stated in these documents.

07. In view of the above facts, we restore the matter back to the file of the learned CIT(E) to decide the issue afresh with the direction to the assessee to first respond to the observation made by the learned CIT(E) at Paragraph 2.2 of his order wherein he has listed seven points. The Ld. CIT (E) may also peruse letter dated 12.01.2024 of the assessee. The learned CIT(E) may thereafter considered the genuineness of the activities of the assessee and other issues raised. The learned CIT(E) may thereafter decide the issue afresh for granting of registration to the assessee after giving an opportunity of hearing. We make it clear that it would be the duty of the assessee trust to comply with such notices in time and in completeness.



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

Order pronounced in the open court on 30/08/2024.

Sd/-

(Raj Kumar Chauhan)
(JUDICIAL MEMBER)

Sd/-

(PRASHANT MAHARISHI)
(ACCOUNTANT MEMBER)

Mumbai, Dated: 30.08.2024

Aks/-

Copy of the Order forwarded to :

The Appellant, The Respondent, The CIT, The DR ITAT & Guard File

BY ORDER,

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Mumbai



Sr. No.	Particulars	Date	Initials	Person concerned
1	Draft dictated	26.08.2024		Sr.PS
2	Draft placed before author	26.08.2024		Sr.PS
3	Draft proposed & placed before the second Member			AM
4	Draft discussed/approved by Second Member			AM
5	Approved Draft comes to the Sr.PS/PS			Sr.PS
6	Kept for pronouncement on			Sr.PS
7	File sent to the Bench Clerk			Sr.PS
8	Date on which file goes to the Head Clerk			
9	Date of dispatch of Order			
10	Dictation Sheet is attached herewith			