

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH, PUNE**

**BEFORE SHRI R.K. PANDA, VICE PRESIDENT
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER**

आयकर अपील सं. / ITA No.1228/PUN/2024

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| Maharashtra Tobacco Association, C/o. 150 Malpani House, Indira Gandhi Road, Sangamner, Ahmednagar-422605 Maharashtra PAN : AABAM9397G | बनाम / V/s. | CIT(Exemption), Pune |
|अपीलार्थी / Appellant | |प्रत्यर्थी / Respondent |

Assessee by : Shri Nikhil S. Pathak
Revenue by : Shri Amol Khairnar

सुनवाई की तारीख / Date of Hearing : 24.09.2024
घोषणा की तारीख / Date of Pronouncement : 27.09.2024

आदेश / ORDER

PER R.K. PANDA, VICE PRESIDENT :

This appeal by the assessee is directed against the order dated 11.03.2024 of the CIT(Exemption) [in short CIT(E)], Pune rejecting the registration u/s.12A of the Income-tax Act, 1961 (hereinafter also called ‘the Act’).

2. Facts of the case, in brief, are that the assessee filed an application in Form No.10AB for granting registration u/s.12A of the Act. With a view to verify the genuineness of activities of the assessee and compliance to requirements of any other law for the time being in force by the trust/institution as are material for the purpose of achieving

its objects, a notice was issued through ITBA portal requesting the assessee to upload certain information/clarification. The assessee in response to the said notice filed certain details. After finding certain discrepancies, the CIT(E) asked the assessee to show cause as to why the application should not be rejected and the registration granted earlier should not be cancelled u/s.12AB. Since there was no compliance to the said notice, the CIT(E) rejected the application filed by the assessee for grant of registration and also cancelled the provisional registration granted earlier u/s.12AB by observing as under:

“3. 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.

4. Considering the above facts discussed in the show notice and discrepancies noticed and also that the assessee has not complied with the provisions of section 12AB(1)(b)(i) of the Income Tax Act, 1961 as well as the provisions of Rule 17A(2) of Income Tax Rules, 1962 in spite giving sufficient opportunities, the undersigned 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.

5. In view of the above, the application filed by the assessee is hereby rejected and the provisional registration granted on 27/08/2022 under section 12AB read with section 12A(1)(ac) (vi) of the Income Tax Act, 1961 is hereby cancelled.”

3. Aggrieved with such order of the CIT(E), the assessee is in appeal before us with the following grounds :

“On facts and in law,

1. The learned CIT(E) erred in rejecting the application made by the assessee under clause (iii) of section 12A(1)(ac) for registration of the trust.

2. The learned CIT(E) erred in holding that in the absence of credible evidences furnished by the assessee, he was not satisfied with the genuineness of the activities carried out by the assessee and hence, the application filed by the assessee was required to be rejected.
 3. The assessee submits that it had filed an adjournment letter requesting for additional time to submit its reply to the notice dated 29.02.2024 issued by learned CIT(E), however, the learned CIT(E) has rejected the application filed by the assessee for not furnishing the information called for by him and accordingly, the assessee requests for one more opportunity to present its case before learned CIT(E).
 4. The learned CIT(E) failed to appreciate that the assessee had commenced its charitable activities and had submitted various evidences to prove that the activities were carried out in accordance with the objects of the trust and hence, there was no reason to reject the application for approval u/s.12AA of the Act.
 5. The assessee requests for the addition of additional evidences in order to support its case regarding various charitable activities carried out by it and accordingly, submits that the activities carried out are genuine and the learned CIT(E) has erred in rejecting the application for approval under clause (iii) of section 12A(1)(ac).
 6. The appellant craves leave to add, alter, amend or delete any of the above grounds of appeal.”
4. The Id. Counsel for the assessee at the outset submitted that the assessee filed an application for grant of some time but the same was not granted and the order was passed. He submitted that, in the interest of justice, the assessee should be given an opportunity to substantiate its case by filing the requisite details.
 5. The Id. DR on the other hand strongly objected to the arguments advanced by the Id. Counsel for the assessee. He submitted that the CIT(E) had given enough time to the assessee which is clear from the order itself. Therefore, the order of the CIT(E) should be upheld.
 6. We have heard the rival arguments made by both the sides and perused the record. We find that due to non-submission of various details as called for by the CIT(E) he rejected the application filed by

the assessee for grant of registration u/s.12A and also cancelled the provisional registration granted earlier u/s.12AB of the Act. It is the submission of the Id. Counsel for the assessee that, in the interest of justice, the assessee should be given an opportunity to substantiate its case by filing the requisite details. Considering the totality of the facts and circumstances of the case and in the interest of justice, we deem it proper to restore the issue to the file of CIT(E) with a direction to grant one more opportunity to the assessee to substantiate its case by filing the requisite details and decide the issue as per fact and law. The assessee is also hereby directed to file the requisite details before the CIT(E) on the appointed date without seeking any adjournment under any pretext failing which the Id. CIT(E) is at liberty to pass appropriate order as per law. We hold and direct accordingly.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 27th September, 2024.

Sd/-
ASTHA CHANDRA
JUDICIAL MEMBER

Sd/-
R.K. PANDA
VICE PRESIDENT

पुणे / Pune; दिनांक / Dated : 27th September, 2024

Satish

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

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The Pr.CIT concerned
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "A" /
DR 'A', ITAT, Pune;
5. गार्ड फाईल / Guard file.

आदेशानुसार / BY ORDER,

//सत्यापित प्रति// True Copy//

वरिष्ठ निजी सचिव / Sr. Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune