

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No. 99 & 100/Bang/2025

Assessment Year: NA

DR Satish Chandra Memorial Foundation, No.2181, 4 th Main, RPC Layout, Hampinagar, Bangalore – 560 104. PAN – AAETD 3844 M	Vs.	The Income Tax Officer, Ward -4(3)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri Sudheendra BR, Advocate
Revenue by	:	Smt. Nandini Das, CIT(DR)

Date of hearing	:	06.03.2025
Date of Pronouncement	:	02.06.2025

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

These are appeals filed by the assessee against the orders passed by the Id. CIT(E), Bangalore, dated 11/11/2024 and 23-12-2024, rejecting the applications for registration under sections 12AB and 80G of the Act.

First, we take up ITA No. 100/Bang/2025 as the lead case for the rejection of the registration application under section 12AB of the Act.

2. The only issue raised by the assessee is that the Id. CIT(E) erred in cancelling the application for registration filed under section 12AB(1) of the Act.

3. Brief facts are that the assessee is a public charitable trust established vide trust deed dated 18-03-2023, with the object of providing aid to economically weak children/students and offering social services like mobile clinics, hospitals, etc. The trust initially obtained provisional registration under section 12A vide Form 10AC dated 30.11.2023. Subsequently, it filed Form 10AB on 30.05.2024 seeking regular registration under section 12AB of the Act. The application was assigned to the Jurisdictional AO (JAO) and the Range Head for verification. The JAO and Range Head, after examining the documents submitted, observed certain mismatches in the details furnished by the assessee, as reproduced below:

"The assessee was requested vide email to furnish supporting evidences with regards to major expense towards education support. The assessee, in the submission made on 18.10.2024, enclosed a letter dated 14.10.2024 issued by St. Joseph Educational Society for having received Rs.50,000/- on 07.06 2024 and Rs. 1,50,000/- on 19.08.2024 from the assessee trust i.e. a total of Rs.2 Lakhs received towards construction of water tank. However, the provisional financial statements as at 30.09.2024 reflect only a receipt of Rs. 1.20 lakhs of which Rs.0.77 Lakhs been spent towards the objects of the trust. No details have been submitted towards the expenditure f Rs. 1.60 Lakhs made during AY 2024-25"

4. The learned CIT(E), based on the report submitted by the JAO/Range Head, observed that the assessee had incurred substantial expenditure towards its objectives but had not submitted any proof or evidence of activities. The relevant observations of the learned CIT(E) are as under:

"3. Assessee has made substantial amount of expenditure towards the objects and assessee has not submitted any proof or evidence of activities. Thus, it is clear that the assessee has not commenced its activities."

5. In view of the above, the learned CIT(E) concluded that the assessee was required to submit necessary documents to prove the genuineness of its activities and also to comply with the requirements of any other law material for the purpose of achieving its objects. Since the assessee failed to do so, the application for registration under section 12AB of the Act was rejected.

6. Being aggrieved by the order of the Id. CIT(E), the assessee is in appeal before us.

7. The learned AR before us filed the appeal set running from pages 1 to 14, a paper book running from pages 15 to 147, case law compilations running from pages 150 to 177, and a petition for the admission of additional evidence under Rule 29 of the Income Tax Appellate Tribunal Rules, 1963, spanning 17 pages. The learned AR submitted that the assessee carried out activities to achieve its objects, which was also evident from the provisional financial statements placed at pages 138 to 140 of the paper book. According to the learned AR, this fact was also admitted by the learned CIT(E) in his order. The learned AR further prayed before us that the additional evidence is crucial to decide the issue on hand and therefore, the same should be admitted.

8. On the other hand, the learned DR submitted that the assessee is producing additional documents and, therefore, the matter should be set aside to the file of the learned CIT(E) for deciding the issue afresh after considering the new evidence as per the provisions of law. According to

the learned DR, the charitable activities of the assessee had not yet commenced. The learned DR vehemently supported the order of the authority below.

9. We have heard the rival contentions of both parties and perused the materials available on record. We have also carefully considered the petition filed by the assessee under Rule 29 of the Income Tax (Appellate Tribunal) Rules, 1963, seeking the admission of additional evidence consisting of 17 pages, submitted during the course of hearing.

9.1 The learned AR submitted that these documents are vital to establish that the assessee has carried out activities towards achieving its charitable objectives. The additional documents, including the provisional financial statements and supporting records, directly address the core issue on which the learned CIT(E) rejected the registration application — namely, the genuineness of the activities.

9.2 We note that under Rule 29, the Tribunal has the discretion to admit additional evidence if it is necessary to enable it to pass orders or for any other substantial cause. In the present case, we find that the additional evidence is essential for deciding the matter effectively and fairly. Moreover, we are satisfied that the non-filing of such evidence before the lower authority was neither deliberate nor due to negligence but arose from the nature of the proceedings and the early stage of the assessee's activities. Likewise, there was also no objection of the Id. DR for the admission of such additional documents. Accordingly, we admit the additional evidence under Rule 29 of the Income Tax (Appellate Tribunal) Rules, 1963. Since, the additional documents have not been considered by the learned CIT exemption and therefore in the interest of

justice and fair play we are setting aside the issue on hand to the file of the learned CIT exemption for deciding the matter after necessary verification of the additional documents and as per the provisions of law. Hence, the ground of appeal of the assessee is hereby allowed for statistical purposes.

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

Coming to the ITA No. 99/Bang/2025, an appeal by the assessee

11. The assessee has raised as many as 3 grounds in the memo of appeal which are interconnected and pertains to the rejection of application filed for regularization of registration under section 80G of the Act.

12. At the outset, we note that assessee along with application for regularization of registration under section 80G of the Act also applied for regularization of registration under 12AB of the Act which was also rejected by the learned CIT(E) on the same basis as adopted for rejection of application for regularization of registration under section 80G of the Act. The dispute regarding the rejection of registration under section 12AB of the Act has already been adjudicated vide paragraph number 9 of this order in the case of appeal bearing ITA No. 100/Bang/2025. We note that the provisions of section 12AB of the Act and section 80G(5) of the Act in relation to granting registration are pari materia. Therefore, the finding given regarding the registration under

section 12AB of the Act shall also be applicable on the issue on hand i.e. registration under section 80G(5) of the Act. We have the decided the issue of registration under section 12AB of the Act in favour of the assessee for statistical purposes vide above mentioned paragraph. Hence, following the same, the issue on hand is also allowed in favour of the assessee for statistical purposes.

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

14. In the combined results, both the appeals of the assessee are allowed for statistical purposes.

Order pronounced in court on 2nd day of June, 2025

Sd/-

(PRAKASH CHAND YADAV)
Judicial Member

Sd/-

(WASEEM AHMED)
Accountant Member

Bangalore
Dated, 2nd June, 2025

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore