

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR.**

**BEFORE SH. UDAYAN DASGUPTA, JUDICIAL MEMBER
AND SH. KRINWANT SAHAY, ACCOUNTANT MEMBER**

**I.T.A. No. 252/Asr/2024
Assessment Year: N/A**

Dawat E Islami, Old Mattan Adda Anantnag Court road, Ananatnag. [PAN:-AACTD7012M] (Appellant)	Vs.	CIT (E) Chandigarh. (Respondent)
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Appellant by	Sh. Ankit A Chokshi, CA.
Respondent by	Sh. Bharat Bhushan Garg, CIT. DR

Date of Hearing	09.04.2025
Date of Pronouncement	19.06.2025

ORDER

Per: Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of the Ld. CIT (E), Chandigarh, dated 20/03/2024, rejecting the application for registration u/s 12A(1)(ac)(iii) of the Act 61, filed in form 10AB, on 27th September, 2023, alleged to be in violation of the provisions of section 13(1)(b) of the Act 61.

2. The grounds of appeal taken by the assessee in Form 36 are as follows:

“1. The Ld. A.O. has erred on facts and in law in not considering that the appellant trust is a public charitable trust, open for all communities without discrimination of any caste, creed, race or religion and therefore duly eligible for registration u/s. 12AB of the Act.

Therefore, your appellant trust prays to quash the order passed by the Ld. A.O. rejecting the application for final registration and direct him to grant the' registration u/s. 12AB of the Act.

2. The Ld. A.O. has erred on facts and in law in passing an order without issuing any show cause notice for rejecting registration u/s. 12AB of the Act and therefore not providing an opportunity of being heard which is a clear violation of principles of natural justice. Therefore, your appellant prays to quash the order passed in violation of principles of natural justice

3. Your appellant craves leave to above grounds of appeal.”

3. Brief facts emerging from records are that the assessee is a public charitable trust provisionally registered u/s 12A(1)(ac)(vi) of the Act 61, vide order dated 8th April, 2022, valid from Asst year 2022-23 to Asst year 2024-25. The assessee applied for final registration in form 10AB on 27/09/2023, along with necessary documents and particulars uploaded in the portal. Queries were raised by the Ld CIT (E) , to satisfy himself about the genuineness of the activities and its objects and response has been filed by the assessee along with documentary evidences, on various dates.

4. On examination of the various documentary evidences furnished along with notes on activities of the trust , it is observed by the Ld. CIT (E), in his order (*page – 6 paragraph – 5*) that the trust is running residential and non residential *madrasas for imparting Islamic education and holding of iftar and yearly congregation for propagating Islamic teachings*, and it was observed that all the activities are carried out for the benefit of the *muslim community*, which according to the Ld CIT (E) is only meant for the benefit of a particular specific community and does not serve the purpose of mankind as a whole .

4.1 It has been further observed by the Ld CIT (E), (*in para – 5 of the order*) that in the instant case most of the activities of the trust clearly states the intention to benefit a particular religious community and is working for spread of *Islam* , the religion which is centered on the *Quran* and teachings of *Prophet Muhammad* .

5. It has been further observed in para – 4.1 of the order that as per the trust deed, only persons who believes in “*Mastak e Ahle Sunnat Wal Jamat*” *can only be trustee of the trusts*, which strengthen the belief that the activities of the trust are aimed and directed only to provide service to a particular community .

6. As such in the observation of the Ld. CIT (E) this assessee trust’s charitable activity is only carried out for the benefit of a particular religious community, and is discriminatory in nature and does not serve across the communities for the benefit

of the general public and for the society as a whole , cutting across all religious barriers .

7. As such the Ld. CIT (E) concluded that the same is hit by the provisions of section 13(1)(b) of the Act 61, and is not eligible for registration u/s 12A of the Act.

The assessee is now in appeal before the tribunal on the grounds contained in the memorandum of appeal.

8. In course of hearing before the tribunal, the Ld AR of the assessee has furnished voluminous paper book containing six binding volumes , containing details of bills and vouchers and invoices of expenses incurred for various activities of the trust , payment vouchers , cash memos of various goods purchased, register containing inward and outward movement of cash, photographs as evidence of various charitable activities and copies of bank statements, and acknowledgement of various replies submitted before the registration authorities in response to notices issued, notes of charitable activities carried out, copies of trust deeds , along with written submissions , and other incidental documents , which are on record.

9. At the very outset the Ld. AR of the assessee submitted that due to an inadvertent error , the assessee trust has furnished notes on activities enclosed in Annexure – C of the reply vide email on 7th December, 2023, which actually belongs to a different trust (*and not the assessee*) , and this inadvertent error on the part of the assessee trust while uploading of reply through email has created confusion with

the Ld CIT (E) , for arriving at the correct findings . It was also submitted that a fresh and revised reply has already been submitted by the assessee on 11th December, 2023 (*rectifying the mistake committed in the explanation filed earlier on 7th December, 2023*) , which has not been appreciated in its proper perspective.

9.1 The Ld AR further submitted that the assessee carried out various charitable activities of running blood donation camp, blanket distribution, relief activities during COVID , running of first aid medical camp, food distribution during natural calamities, plantation of trees, and also various educational activities, which are all carried out for the benefit of the entire society at large, irrespective of caste, creed or colour, sex or religion, and documentary evidences of such activities are enclosed in the paper book which are open for everyone to see and examine. The Ld AR further submitted that the assessee trust has also been appreciated for its charitable work by the Government medical college, Srinagar, for its voluntary blood donation camp .

10. Referring to the voluminous documentary evidences of paper book , placed before the tribunal , the Ld. AR of the assessee , submitted that if the Ld CIT (E) was not satisfied regarding the genuineness of the activities carried out and regarding the charitable objects of the assessee, he could have issued a SCN for proper reply by the assessee and for further explanation , which the assessee could have filed or explained over video hearing , and the main contention of the assessee is that the Ld.

CIT (E) has never allowed a proper opportunity to the assessee to rebut the negative findings of the Ld. CIT (E) , and as such , for proper rendering of justice and for proper explanation of the activities that are carried out for the benefit of the entire community as a whole, the AR prays an opportunity may please be allowed to produce or prove before the authorities that this trust is working for the entire society as a whole and the activities are not restricted for any particular community.

11. The Ld DR relies on the order of the Ld CIT (E) but for proper justice he has no objection if the matter is remanded for fresh adjudication and for fresh verification inquiry in the matter.

12. We are of the opinion that for rendering substantial justice and for allowing a fresh opportunity to file response with evidences , to the issues raised by the Ld. CIT (E) regarding violation of the provisions of section 13(1)(b) of the Act 61 , we are of the opinion that the matter be remanded to the Ld. CIT (E) , with a direction to issue the show cause notice and allow the assessee to furnish proper replies to the said SCN , and thereafter, to adjudicate as per provisions of law , after considering all explanations and submissions of the assessee judiciously.

12.1 We have not expressed any opinion on merits.

All legal issues are kept open.

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

**Order pronounced on 19.06.2025 under Rule 34(4) of the Income Tax Appellate
Tribunal Rules 1963.**

Sd/-

(KRINWANT SAHAY)
Accountant Member

Sd/-

(UDAYAN DASGUPTA)
Judicial Member

AKV

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By order