

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

(HYBRID COURT)

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

I.T.A. Nos. 617 & 618/Chd/2024

Assessment Year: N.A.

Sankalp Welfare Society,
SCO-28 Sehaj Enclave
Majitha Road, Kashmir
Avenue, Punjab 143001

[PAN: ABVAS 5917R]

(Appellant)

Vs.

CIT (Exemptions),
Chandigarh

(Respondent)

Appellant by	:	None (Adjournment application)
Respondent by	:	Smt. Vandana Vijay Mohite, CIT-D R
Date of Hearing	:	21.04.2025
Date of Pronouncement	:	29.05.2025

ORDER

Per Udayan Dasgupta, J.M.:

Both the appeals are filed by the assessee against the order of Id. CIT (Exemptions), Chandigarh dated 20.03.2024 and 22.03.2024 rejecting the application seeking registration u/s 12A(i)(ac) sub-clause (iii) and the corresponding application for approval u/s 80G of the Act, 1961 respectively.

ITA No. 617/Chd/2024:

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

- “1. *The Learned CIT (E) has erred in law and facts and circumstances of the case by rejecting application for registration under sections 12A(1)(ac)(iii) citing deficiency in factual evidences.*
2. *The Learned CIT (E) has erred in law and facts and circumstances of the case by not following the various judicial pronouncements on this issue.*
3. *The Learned CIT (E) has erred in law and facts and circumstances of the case by not providing reasonable opportunity of being heard which is against the principles of natural justice.*
4. *The Learned CIT (E) has erred in law and facts and circumstances of the case by rejecting the application of Registration on the ground that the substantial activities carried out by the applicant could not corroborate to its objects as per MOA.*
5. *The Learned CIT (E) has erred in law and facts and circumstances of the case by taking the presumption that the society is using the funds to promote the business of president of the society without going into the actual facts and figures.*
6. *The Learned CIT (E) has erred in law and facts and circumstances of the case by rejecting registration on ground of payment to Medica Enterprises without proving that payment has been made above market value.*
7. *The Learned CIT (E) has erred in law and facts and circumstances of the case by rejecting registration application inspite providing proof of education expenses of poor children.*
8. *That the appellant craves leave to add, alter, amend or vary the grounds of appeal here in above at or before hearing of appeal.”*

3. The brief facts emerging from the record are that the assessee society is registered under the 'Societies Registration Act', 1860 and engaged in charitable activities and has applied for provisional registration on 02.11.2022 which was granted and valid up till assessment year 2025-26. Application for final registration u/s 12A(i)(ac)(iii) was filed on 21.09.2023, and in course of registration proceedings, letters were issued by the Id. CIT(E), Chandigarh calling for documentary evidences to examine the objects and the activities of the society, in response to which the submissions were filed by the assessee.

4. On the basis of the submission filed, it was observed by the Id. CIT(E) that the necessary documentary evidences relating to prove the charitable activities has not been filed by the assessee. It was further observed that payments were made to one *Medica Enterprises* relating to purchase of some medical equipments which were supposed to have been donated to the poor but there was no documentary evidences of such donations and it was seen that the president of the society (*Sh. Sunil Sharma*) happens to be the proprietor of this *Medica Enterprises* to whom substantial payments has been made.

5. On the basis of this factual aspect, the Id. CIT(E) arrived at a conclusion that the activities of the society is not genuine and as such the application for registration has been dismissed.

6. Before this Tribunal, none appeared on behalf of the assessee even though an application for adjournment has been filed by the ld. counsel being busy with bank audits.

7. We find from the grounds of appeal and statement of facts that the assessee has objected to the fact that before rejection of the application for registration, the ld. CIT(E) has not allowed a proper opportunity of hearing. In response to the notice issued by the ld. CIT(E), documentary evidences has been filed and after considering the documentary evidences, the application for registration has been rejected without any further opportunity or without any issue of show cause notice. As such, the contention of the assessee is that no proper opportunity has been granted and even though substantial charitable activities has been carried out by the assessee regarding expenses incurred for educational purposes of poor children and other allied charitable activities, cognizance has not been given to the same.

8. In other words, the contention of the assessee as appearing from the statement of facts and grounds of appeal are that the proper opportunity of hearing has not been allowed by the ld. CIT(E) before rejecting the application for registration, without any proper show cause.

9. As such, we are of the opinion that it will not serve any purposes if we adjourn the hearing and as such we are of the opinion that in the interest of justice, the matter should be remanded back to the Id. CIT(E) for considering all the documentary evidences on record and to consider the application for registration afresh after allowing reasonable opportunity of hearing to the assessee to explain the charitable work and activities that is carried out and to file all necessary supporting documentary evidences for satisfaction of the Id. CIT(E). The assessee is also directed to fully cooperate in fresh proceedings before the Id. CIT(E) for proper disposal of this application for registration.

10. As a result, the appeal of the assessee is allowed for statistical purposes.

I.T.A. No. 618/Chd/2024:

11. This appeal is filed by the assessee against the rejection of application for approval u/s 80G of the Act.

12. Since, we have already remanded the application u/s 12A/12AB for the purpose of fresh consideration before the Id. CIT(E), this application for approval u/s

80G is also remanded back to be decided afresh as per outcome of the application for registration u/s 12A(i)(ac)(iii) of the Act, 1961.

13. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 29.05.2025.

Sd/-
(Manoj Kumar Aggarwal)
Accountant Member

Sd/-
(Udayan Dasgupta)
Judicial Member

GP/Sr.PS

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T.

True Copy
By Order