

**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. No. 49/Asr/2025

Assessment Year: N.A.

Vanvasi Kalyan Ashram Punjab
House No. 706, Sector-33,
Chandigarh Road, Police Colony,
Ludhiana 141010, Punjab

[PAN: AAEAV 1644E]

(Appellant)

Vs.

Income Tax Officer (Exemptions),
Jalandhar

(Respondent)

Appellant by : Sh. Subash Jain, C.A.
Respondent by : Sh. Jivandeep Singh Kahlon, CIT-DR
Date of Hearing : 01.07.2025
Date of Pronouncement : 21.07.2025

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of Id. CIT (Exemptions), Chandigarh dated 19.11.2024 rejecting the application for registration u/s 12A(1)(ac)(iii) of the Act filed on 14.06.2024.

2. Grounds of appeal taken by the assessee in Form No. 36 are as follows:

- “1. *That the order of the Learned Commissioner of Income Tax 1 (Exemptions), Chandigarh is bad in law and against facts and circumstances of the case.*
2. *That order u/s 12AB of the Income-tax Act, 1961 is against law and facts on the file in as much as the rejection of application for registration is without any valid reason and is on the basis of wrong interpretation of law.*
3. *That order u/s 12AB of the Income Tax Act, 1961 rejecting the application for Registration was passed by the Learned 3 Commissioner of Income Tax (Exemptions), Chandigarh without proper opportunity and without giving any show-cause notice to the appellant.*
4. *The appellant craves leave to add, amend or delete any of the ground(s) of appeal before it is finally heard.”*

3. Brief facts emerging from the record are that the assessee is a charitable society and registered before the *Registrar of Firms and Societies* under the ‘Societies Registration Act of 1860 (as amended) and is provisionally registered u/s 12A, vide order dated 01.10.2024 valid from assessment years 2022-23 to 2024-25, and has filed for final registration on 14.06.2024 u/s 12A(1)(ac)(iii) of the Act, 1961.

4. During the course of registration, several notices were issued by the Id. CIT(E) raising enquiries on various issues in response to which the applicant as submitted its reply on 12.11.2024 and on a perusal of the documents submitted it has been observed by the Id. CIT(E) that the funds has been transferred from the assessee’s office in Punjab to assessee’s office at Bombay and Jaspur amounting to Rs.32 (thirty two) lacs which, persuaded the Id. CIT(E) to a conclusion that no independent

charitable activity is carried out by the assessee as per its memorandum of association, and he also observed that no documentary evidences such as bills and vouchers has been filed in relation to its claim of any charitable activities.

5. As such, the Id. CIT(E) arrived at a conclusion that the society is not performing its activities as per objects contained in the memorandum of association and as such, the application filed by the assessee in Form No. 10AB has been rejected.

6. The Id. AR submitted that all papers and documents as required for the purpose of registration of the society has been filed along with the application and other queries as asked by the registration granting authority has been submitted in the online portal, along with all necessary documentary evidences and all requirements of the notices has been met. However, the Id. CIT(E) before rejection, has not issued any show cause notice, or issued an opportunity of explaining the matter before rejection. He further submitted that the rejection has been made on the grounds that independent charitable activity of the society is not being carried out as per the objects contained in the MoA and has simply rejected the application because of the reason that funds has been transferred from the unit at Ludhiana, (Punjab) to the unit at Mumbai which however does not violate any provisions of the Act. The objects of the society are charitable in nature and there is no deficiency or defect pointed out at

any stage by virtue of which a violation can be recorded which may entitle the disallowance of registration.

7. As such, he prays that since the entire rejection has been done without any opportunity to show cause and to rebut the findings of the Id. CIT(E), he prays that an opportunity may please be allowed to explain the case before the Id. CIT(E) and requested for remanding the matter back to the Id. CIT(E) for considering the registration application afresh as per provisions of law.

8. The Id. DR relied on the order of the Id. CIT(E) but could not point out any technical lacunae or any violation of any provisions of the Act and has no objection if the matter is remanded back to the files of the Id. CIT(E) for fresh consideration.

9. We have heard the rival submissions and considered the materials on record and we find that in the instant case, the Id. CIT(E) has rejected the application on the ground that no independent charitable activity has been done by the society as per its MoA and it has transferred funds from its unit at Punjab to its *Bombay and Jaspur office*. Moreover, it is also observed that the proper bills and vouchers as requested by the Id. CIT(E) has not been produced.

10. As such, in the interest of justice, we remand the matter back to the files of the Id. CIT(E) to consider the application for registration afresh, considering the fact that

no show cause notice has been issued and the assessee never had the opportunity to rebut the findings of the Id. CIT(E).

11. The assessee is also directed to file all necessary documentary evidences and explanations before the Id. CIT (E) and to fully cooperate in the registration proceedings. The assessee to be allowed proper opportunity of being heard.

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

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 21.07.2025

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