

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

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER  
AND  
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

<b>ITA Nos. 640 &amp; 641/Bang/2025</b>
<b>Assessment Year : 2025-26</b>

Shree Khandal Vipra Trust, No. 17, Royal Palm Enclave, Srinivasapura Bagalur PO, Sathnur Colony, Bangalore – 562 149. <b>PAN: ABITS3690K</b>	<b>Vs.</b>	The Commissioner of Income Tax (Exemptions), Bengaluru.
		<b>RESPONDENT</b>

Assessee by	:	Smt. Jayashree, Advocate
Revenue by	:	Shri V. Parithivel, JCIT-DR

Date of Hearing	:	02-05-2025
Date of Pronouncement	:	25-07-2025

**ORDER**

**PER BENCH**

These are the appeals filed by the assessee challenging the orders rejecting the application filed u/s. 12AB of the Act and the approval sought for u/s. 80G of the Act by the Ld.CIT(E) and raised the following grounds.

**ITA No. 640/Bang/2025**

1. Based on the above facts and circumstances of the case, the Appellant humbly submits that, no opportunity of hearing was afforded to the Appellant as per Section 12AB(1)(b)(ii)(B) of the Act and the Impugned Order was passed in violation of the Principles of Natural Justice. Therefore, it is submitted that Appellant deserves an opportunity to prove the genuineness of the activities it is conducting and to fulfil any other conditions as prescribed in the Act.

2. On the facts and circumstances of the case, the appellant submits that, Respondent failed to appreciate the documents filed by the Appellant through the reply letter dated 04.10.2024 (attached as Annexure No.6) and passed an order without affording the Appellant with an opportunity of hearing. Thus, Impugned Order of the Respondent is against the law laid down and is liable to be quashed and/ or alternatively, this case may have to be remanded to the good office of the Respondent for a fresh consideration.

3. It is submitted that the Respondent ought to have appreciated the position of the law laid in various judgements of the concurrent bench of this Hon'ble Tribunal- that the purpose of the provisions for registration of trust under Section 12A / 12AB and granting of recognition under Section 80G of the Income Tax Act derives their spirit from Directive Principles of State Policy enshrined in the Constitution of India. The said provisions enhance socio economic welfare of the society. Income Tax laws are welfare legislations and not penal in nature (Adimata Shakti Praishanthan Amravati vs The Commissioner of Income Tax (Exemption), Pune, held by Hon'ble ITAT Pune in ITA No.1002/PUN/2023). Hence, the Respondent, in order to uphold the said principle, ought to have granted the Appellant an opportunity to make good the defects/ shortcomings, if any and seek before this Hon'ble Tribunal that the matter may remitted back to the good office of the Respondent for de-novo consideration.

4. The Appellant most humbly prays that the Hon'ble Tribunal grants leave to add, amend or alter any of the grounds of appeal on/ before the date of hearing or during the hearing, if this Hon'ble Tribunal deems fit.

PRAYER

(i) It is therefore most respectfully prayed before this Hon'ble Tribunal that in light of the facts and circumstance described above, the Tribunal may be pleased to consider and allow this Appeal under Section 253(1)(c)(i) of the Act and be pleased to set aside the Impugned Order passed by the Respondent vide order dated 20.11.2024 (attached as Annexure No.7) and remand the matter to the good office of the Respondent for de-novo consideration, with a direction to provide the Appellant with an opportunity of hearing in the interests of justice and equity.

(ii) Pass such other or further order(s) as this Hon'ble Tribunal may deem fit in the facts and circumstances of this case, in the interests of justice and equity.

**ITA No. 641/Bang/2025**

“1. Based on the above facts and circumstances of the case, the Appellant humbly submits that the Impugned Order passed solely based on non-appearance of the Appellant for the hearing, ought to have considered as merely lapse in the procedural aspects and the Appellant deserves another opportunity to prove the genuineness of the activities it is conducting, before the Respondent. Hence it is sought before this Hon'ble Tribunal, to remand the matter back to the file of the good office of the Respondent to grant an opportunity to the Appellant to fulfill conditions as prescribed in the Act. It is humbly submitted that procedural technicalities should not defeat substantive laws and this Section 80G being a welfare law, the Appellant Trust furthers that the Appellant should be given one more opportunity of hearing owing to the said welfare motive.

2. It is submitted that the Respondent ought to have appreciated the position of the law laid in various judgements of the concurrent bench of this Hon'ble Tribunal-that the purpose of the provisions for registration of trust under Section 12A / 12AB and granting of recognition under Section 80G of the Act derives their spirit from Directive Principles of State Policy enshrined in the Constitution of India. The said provisions enhance socio economic welfare of the society. Income Tax laws are welfare legislations and not penal in nature (Adimata Shakti Praishanthan Amravati vs The Commissioner of Income Tax (Exemption), Pune, held by Hon'ble ITAT Pune

*in ITA No.1002/PUN/2023). Hence, the Respondent in order to uphold the said principle ought to have granted the Appellant an opportunity to make good the defects / shortcomings, if any and seek before this Hon'ble Tribunal that the matter may remitted back to the good office of the Respondent for de-novo consideration.*

*3. The Appellant most humbly prays that the Hon'ble Tribunal grants leave to add, amend or alter any of the grounds of appeal on/ before the date of hearing or during the hearing, if this Hon'ble Tribunal deems fit.*

#### PRAYER

*(i) It is therefore most respectfully prayed before this Hon'ble Tribunal that in light of the facts and circumstance described above, the Tribunal may be pleased to consider and allow this appeal under Section 253(1)(c)(i) of the Act and be pleased to set aside the Impugned Order passed by the Respondent vide order dated 20.11.2024 (attached as Annexure No.7) and remand the matter to the good office of the Respondent for de-novo consideration, with a direction to provide the Appellant with an opportunity of hearing in the interests of justice and equity.*

*(ii) Pass such other or further order(s) as this Hon'ble Tribunal may deem fit in the facts and circumstances of this case, in the interests of justice and equity.”*

**2.** Both these appeals are heard together and are being disposed of by way of this common order for the sake of convenience.

**3.** The brief facts of the case are that the assessee is a charitable trust and got their provisional registration on 11/03/2024. Thereafter, the assessee trust filed an application on 09/05/2024 for the permanent registration u/s. 12AB of the Act. The assessee is having the following as its main objects

- a) Help the poor people, education, health and social reforms
- b) Socio cultural and spiritual activities
- c) Welfare of the public

**4.** The assessee to carry out their objects, had purchased lands and constructing a community hall. In the meanwhile, the assessee trust also conducted various activities such as health camps, blood donation camps, social and cultural events and provided financial assistance to the under privileged and in support of the said activities, the assessee trust also furnished the photographs. The assessee trust also filed their financial statements for the financial year 2023-24. All the said documents were furnished to the authority along with the application filed in form 10AB of the Act. The Ld.CIT(E) had rejected the application dated 09/05/2024 on the ground that the assessee had not commenced its activities as per the objects of the trust.

**5.** Similarly, the Ld.CIT(E) had rejected the approval sought for by the assessee u/s. 80G of the Act on the ground that the assessee had not submitted necessary documents to prove the genuineness of the activities of the trust. As against the said rejection orders, the assessee is in appeal before this Tribunal.

**6.** These appeals were filed with a delay of 58 days and the assessee also furnished application to condone the said delay. We have perused the reasons stated in the said delay condonation application and satisfied that the delay has been properly explained and therefore proceeded to decide the appeal on merits.

**7.** At the time of hearing, the Ld.AR submitted that the assessee trust to carry out the charitable activities had purchased land and started the construction of the community hall. Therefore he submitted that the trust had commenced its activities to achieve the objects stated in the trust deed. The Ld.AR further brings to our notice various photographs to show that health camp, blood donation camp and other social and cultural activities. The health camp and blood donation camps are conducted jointly with Narayana Hospital and therefore the assessee had not incurred expenditures towards the same. The Ld.AR further submitted that the

registration could not be rejected when the objects of the trust are charitable in nature and the activities of the trust are genuine. The Ld.AR further submitted that no personal hearing was granted by the Ld.CIT(E) before passing the rejection order and prayed that the rejection order may be set aside.

**8.** The Ld.DR relied on the orders of the lower authorities and prayed to dismiss the appeal.

**9.** We have heard the arguments of both sides and perused the materials available on record.

**10.** We have perused the impugned order of the Ld.CIT(E) in which the Ld.CIT(E) had observed that the assessee trust has not commenced its activities as per the objects of the trust, for rejecting the application for registration. As seen from the various documents and also the observations made in the impugned order, we came to know that the assessee trust had commenced its activities by purchasing a land and constructing a community hall to do the various objects mentioned in the trust deed. Without any infrastructure, the assessee could not run the various activities and therefore the assessee trust had rightly commenced its activities by purchasing a land and constructing the community hall. We do not find that this could be a reason to reject the application for registration.

**11.** In the present case, except the allegation that the assessee had not commenced its activities, the Ld.CIT(E) had not pointed out that the assessee trust is not having any objects towards the charitable purposes and also there is no genuineness in the activities of the trust. That being the case, we do not find that the order of the Ld.CIT(E) rejecting the application is in order. We are also satisfied that the objects of the trust are towards charitable in nature and also that cannot be decided at this stage itself. Insofar as the registration sought for u/s. 12AB of the Act is concerned, there are several judgments of the Hon'ble Jurisdictional High

Court as well as by different Hon'ble High Courts to the effect that at the time of granting registration, the registering authority should have considered the objects of the trust and the genuineness of the trust and not more than that.

**12.** We, therefore, set aside the orders of the Ld.CIT(E) and remit these issues in which the registration sought for u/s. 12AB of the Act as well as the approval sought for u/s. 80G of the Act are rejected, to the file of the Ld.CIT(E) to decide the issue afresh after affording reasonable opportunity of being heard to the assessee. It is also open to the assessee to place all the material documents before the Ld.CIT(E) while deciding the applications.

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

Order pronounced in the open court on 25<sup>th</sup> July, 2025.

Sd/-  
(LAXMI PRASAD SAHU)  
Accountant Member

Sd/-  
(SOUNDARARAJAN K.)  
Judicial Member

Bangalore,  
Dated, the 25<sup>th</sup> July, 2025.  
/MS /

Copy to:

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|---------------|------------------------|
| 1. Appellant  | 2. Respondent          |
| 3. CIT        | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A)              |

By order

Assistant Registrar,  
ITAT, Bangalore