

**IN THE INCOME TAX APPELLATE TRIBUNAL
JABALPUR BENCH, JABALPUR
(Through virtual mode)**

**BEFORE SH. KUL BHARAT, VICE PRESIDENT
AND
SH. NIKHIL CHOUDHARY, ACCOUNTANT MEMBER**

ITA No.20/JAB/2025
A.Y. 2025-26

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| Gosal Sagar Helping Hand Foundation, 44, Gorakhpur, Jabalpur-482001 | vs. | CIT (Exemption), Bhopal |
| PAN:AAGAG6146G | | |
| (Appellant) | | (Respondent) |

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|------------------------|---------------------------------|
| Assessee by: | Sh. Mujaid Ansari, C.A. |
| Revenue by: | Sh. Shravan Kumar Meena, CIT DR |
| Date of hearing: | 20.08.2025 |
| Date of pronouncement: | 30.09.2025 |

ORDER

PER NIKHIL CHOUDHARY, A.M.

This is an appeal filed by the assessee against the order of the Id. CIT (Exemption), Bhopal refusing to accept the application of the assessee in Form No. 10AB for grant of registration under section 80G(5) of the Act. The grounds of appeal are as under:-

"1. The appellant, Gosal Sagar Helping Hands Foundation, hereinafter referred to as the 'Appellant', is aggrieved by the order dated 23/12/2024 passed by the Commissioner of Income Tax, Exemption [CIT(Exemption)] - Bhopal, hereinafter referred to as the 'Respondent', rejecting the application for permanent registration under Section 80G(5) of the Income Tax Act, 1961.

2. The Appellant, incorporated on 02/11/2020, obtained provisional registration under Section 80G(5) of the Income Tax Act, 1961, in Form 10AC on 28/11/2021. Pursuant to this, the Appellant duly filed Form 10AB under Clause (iii) of the First Proviso to Section 80G(5) of the Act on 13/06/2024, with the intent of securing permanent registration under Section 80G(5) of the Act.

3. However, the Respondent has rejected the application contending that "The assessee society has failed to substantiate his claim of alleged charitable activities with sufficient documentary evidences as sought vide the aforesaid letter issued by this office. It is also found that after giving sufficient opportunity the assessee has failed to furnish point wise complete information as per original

query letter date 12/09/2024". The Respondent further argues that due to non-compliance of requisite questionnaire dated 12/09/2024 by the assessee society, the application of the assessee in Form 10AB for grant of registration 80G(5) of I.T Act is hereby rejected and provisional registration are also hereby cancelled.

4. The Commissioner of Income Tax (Exemption), Bhopal, has erred on the facts and merits of the case by rejecting the appellant's application merely on the basis of "that the society has failed to substantiate his claim of alleged charitable activities with sufficient documentary evidences as sought vide the letter issued by the CIT, Exemption, Bhopal". The Appellant acted in good faith and complied all the information and provided pointwise reply as desired in questionnaire dated: 12/09/2024 and submitted on IT portal on 27/09/2024 with all supporting documents and information.

5. The Commissioner of Income Tax (Exemption), Bhopal, has erred on the facts and merits of the case by rejecting the appellant's application without giving an opportunity of being heard to the appellant and passed the rejection order without going on facts and merits of the case.

6. Therefore, the rejection of the Appellant's application by the Respondent is against the principles of natural justice, equity, and fair play.

7. In view of the above, the Appellant respectfully prays before this Hon'ble Tribunal that the order of the Respondent [CIT(exemption)] rejecting the application for permanent registration under Section 80G(5) of the Income Tax Act, 1961, be set aside, and the Appellant be granted permanent registration accordingly.

8. Any other relief deemed fit by this Honorable Tribunal may kindly be granted in the interest of justice.

9. The Appellant craves leave to add, alter, amend, or delete any of the grounds of appeal and to produce any further evidence, whether oral or documentary, in support of the appeal at the time of hearing."

2. The facts of the case are that the assessee furnished an application for approval under section 80G(5) of the Income Tax Act, 1961 to the Id. CIT (Exemption), Bhopal. The Id. CIT (Exemption), Bhopal records that he issued a query letter on 12.09.2024 to furnish all information / documents in support of its application on 27.09.2024. He records that in response to the above notice, the assessee society had submitted its reply alongwith some documents. However, the examination of the documents revealed that the assessee society had failed to substantiate its claim of charitable activities with sufficient documentary evidences, as had been sought vide the aforesaid letter issued by

the Id. CIT (Exemption). Therefore, he rejected the application of the assessee in Form 10AB for grant of registration under section 80G(5) of the Act.

3. The assessee is aggrieved at this order of the Id. CIT (Exemption) and has accordingly come in appeal before us. Sh. Mujaid Ansari, C.A. (hereinafter referred to as the Id. AR), appearing on behalf of the assessee submitted that the assessee was a duly registered charitable society under section 12AB of the Income Tax Act, 1961. It had also obtained the provisional registration under section 80G(5) of the Income Tax Act on 28.11.2021. Pursuant to this, it had duly filed Form No. 10AB under Clause (iii) of the first proviso to section 80G(5) on 13.06.2024 with the intent of securing permanent registration under section 80G(5). The Id. CIT (Exemption) had issued a questionnaire on 12.09.2024 and the assessee had submitted a complete reply, alongwith all documentary evidences on income tax e-filing portal on 27.09.2024. Despite this, the Id. CIT (Exemption) had rejected the application and cancelled the provisional registration, stating that the assessee had failed to establish the charitable nature of its activities. It was submitted that once the institution was registered under section 12AB and its activities conformed to the definition under section 2(15), there exists a strong presumption in favour of the genuineness of its charitable nature, unless rebutted by cogent evidence. In the present case, no such contrary evidence had been brought on record and the order was therefore, arbitrary, perverse and liable to be set aside. It was further argued that under the proviso to Rule 11AA(5) of the Income Tax Rules, 1962, it was mandatory for the Commissioner to record his reasons in writing and to give the applicant a due opportunity of being heard. This safeguard had been completely disregarded by the Id. CIT (Exemption). Furthermore, it was submitted that under section 80G(5) read with clause (iii) of the first proviso, the Commissioner's satisfaction was confined to verifying;

- i. The genuineness of the activities of the institution.
- ii. Compliance with statutory conditions prescribed.

It was submitted that the assessee had fully discharged its obligations to provide material to enable such satisfaction. The rejection based on sweeping an unsubstantiated remarks without dealing with any of the specific evidence placed on record, amounted to non-application of mind and therefore, the impugned findings suffered from factual error, procedural irregularity and legal infirmity. Accordingly, it was prayed that the order of the Id. CIT (Exemption) rejecting the application for permanent registration under section 80G(5) of the Income Tax Act, 1961, be set aside and the assessee be granted permanent registration accordingly.

4. On the other hand, Sh. Shravan Kumar Meena, CIT DR (hereinafter referred to as the Id. CIT DR) submitted that the reasons for the rejection was that the assessee had not made proper response to the queries raised by the Id. CIT (Exemption) and had he done so, may not have faced rejection of his application. It was, therefore, submitted that the matter may be restored back to the file of the Id. CIT (Exemption) with a direction to the assessee to make proper compliance in accordance with the terms of the notice issued and doubtlessly, the Id. CIT (Exemption) would consider the submissions made by the assessee.

5. We have duly considered the facts and circumstances of the case. It appears from the paper book filed before us, that the assessee had made substantial compliance before the Id. CIT (Exemption) and the Id. CIT (Exemption) has not pointed out in what respect the submissions made by the assessee were deficient, or led to the conclusion that the assessee was not engaged in charitable activities, so as to require rejection of its application. Accordingly, we feel, that the reply of the assessee has not been considered on

its merits and the order passed by the Id. CIT (Exemption) is arbitrary and against the principles of natural justice. We, therefore, deem it appropriate to restore the matter back to the file of the Id. CIT (Exemption), so that the matter may be considered afresh and a decision taken in accordance with law after considering the evidences presented by the assessee.

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

Order pronounced on 30.09.2025 in the open Court.

Sd/-

**[KUL BHARAT]
VICE PRESIDENT**

DATED: 30/09/2025

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Copy forwarded to:

1. Appellant –
2. Respondent –
3. CITDR , ITAT,
4. CIT,
5. The CIT(A)

Sd/-

**[NIKHIL CHOUDHARY]
ACCOUNTANT MEMBER**

By order
Sr. P.S.