

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

**BEFORE DR. DIPAK P. RIPOTE, ACCOUNTANT MEMBER  
AND  
SH. UDAYAN DASGUPTA, JUDICIAL MEMBER  
(Physical Hearing)**

**I.T.A. No. 605 and 29/Asr/2025  
Assessment Year: N/A**

|  |     |   |
|--|-----|---|
| Unicom Foundation, SCO, 4, 1 <sup>st</sup> Floor, Puda Complex Near Dainik Bhasker Office, Jalandhar, Punjab.<br>[PAN:-AAAAU8979M]<br><b>(Appellant)</b> | Vs. | CIT (Exemption), Chandigarh.<br><br><b>(Respondent)</b> |
|--|-----|---|

|                      |                             |
|----------------------|-----------------------------|
| <b>Appellant by</b>  | Sh. J.S. Bhasin, Adv.       |
| <b>Respondent by</b> | Mrs. Namita Pandey, CIT DR. |

|                              |            |
|------------------------------|------------|
| <b>Date of Hearing</b>       | 16.03.2026 |
| <b>Date of Pronouncement</b> | 17.03.2026 |

**ORDER**

**Per: DR. DIPAK P. RIPOTE, A.M.:**

These are two appeals filed by the Assessee against the separate orders of Id. Commissioner of Income Tax (Exemptions), passed u/s 12AA r.w.s. 12AB dated 19.06.2025 and 80G dated 11.12.2024.

2. The Assessee raised the following grounds of appeal:

“1. That the Id. CIT (E) erred both on facts and in law in cancelling the valid registration granted u/s 12A(1)(ac) (i) of the Act, without appreciating the bonafide and charitable nature of

*the Appellant's activities and without establishing any violation of the conditions specified under the Act*

*2. That the Ld. CIT (E) erred in concluding that the Appellant had not commenced any genuine activity merely on the premise that CSR contributions and their utilization were not reflected in the I&E account. Ignoring the fact that such receipts and expenditures were duly accounted for under a separate 'CSR Contribution Account with supporting documentation filed during proceedings.*

*3. That the Ld. CIT (E) failed to appreciate that mere accounting treatment of CSR receipts separately from the I&E account does not imply that the Appellant was not engaged in charitable activities or that such activities lacked genuineness, when utilization of funds was supported by bills, vouchers, and bank statements.*

*4. That the Ld. CIT (E) failed to appreciate the legal position that CSR funds received by a registered society in accordance with Companies Act 2013, for carrying out eligible charitable activities continue to retain the character of voluntary contributions eligible for exemption under sections 11 and 12, when applied towards charitable objects, irrespective of the mode of accounting.*

*5. That the Ld. CIT (E) grossly erred to hold that CSR funds if not recognized as income in I&E account, would lose the benefit of section 11 of the Income Tax Act.*

*6. That the cancellation of registration u/s 12A is arbitrary, unjust and devoid of proper application of mind, especially when the issue of non-grant of 80G registration was already pending*

*adjudication before the Hon'ble ITAT, and the same facts were prejudicially used against the Appellant.*

*7. That the Ld. CIT (E) failed to appreciate that at the stage of registration under section 12A, only the genuineness of activities and objects is to be verified, and the Appellant had clearly demonstrated both through documents and actions.*

*8. That the order under appeal being unjust, arbitrary, against natural justice and perverse on facts, is liable to be set aside and the assessee's registration u/s.12A(1)(ac)(i), allowed by CPC deserves to be restored.*

*9. That the assessee craves leave to add or amend any of the grounds of appeal till the appeal is finally heard.”*

### **Submission of Id.AR**

3. The Id. AR filed paper book containing 139 pages. The Id. AR submitted that this is a common paper book for both the appeals. The Id. AR submitted that assessee's society was formed for carrying out CSR activities of Unicom India, Private Ltd. The Id. AR submitted that assessee's 80G application was rejected by Id. CIT(E) on the ground that the assessee had not filed any evidence for charitable activities. It was also alleged by Id. CIT(E) as per financials there were no activities.

3.1 The Id. AR further submitted that assessee is maintaining separate accounts with the CSR funds and out of those accounts charitable activities were performed. The Id. AR submitted list of activities performed.

3.2 The Id. AR again submitted that after rejecting 80G by the Id. CIT(E) the 12A certificate issued by CPC Bangalore on 30<sup>th</sup> May 2022, was cancelled by the Id. CIT(E).

3.3 The Id. AR also submitted that it has been alleged by Id. CIT(E) that bank statements were password protected but assessee was never asked to provide the password.

3.4 The Id. AR further submitted that the Id. CIT(E) had not given any opportunity to the assessee to represent his case. The Id. AR submitted and prayed that one more opportunity may be given so that assessee can explain nature of activity.

#### **Submission of Id. DR**

4. The Id. Commissioner of Income (DR) stated that assessee had not filed evidence of carrying the activities even assessee have not filed bank statement which could be read by Id. CIT(E). The Id. DR supported the order of Id. CIT(E).

#### **Findings and Analysis**

5. We have heard both the parties and perused the materials on record. In this case, the Id. CIT(E) has cancelled registration granted u/s 12AA r.w.s 12AB. The relevant paragraph of Id. CIT(E)'s order is reproduced hereunder:

*“3.1.5 The applicant submitted its bank statement for only one year i.e. F.Y. 2023-24. During the year, the applicant received major chunk of its CSR funds in two instalments. First installment amounting got Rs. 25,00,000/- was received by it on 04.08.2023*

*which was transferred to S Amar Singh Ed on the very next day. Second installment amounting to Rs. 33,65,397/- was received by it on 06.09.2023 which was again transferred to the same entity on 11.09.2023. No explanation as to how this transfer would tantamount to charity was provided by the applicant. Even assuming that the said entity is a charitable institution, it is disconcerting that 98% of the CSR funds were transferred to this entity. Smaller debits made in favour other entities have been credited back the same day in the bank statement. A few sporadic payments cannot justify registration being granted to the applicant. Further, the applicant has only shown how much amount it received under CSR fund and how much it spent on social activities claimed by it. The applicant has not provided details of these social activities other than few receipts which have been stated as school fee contribution or dialysis treatment to employees which cannot be a CSR expense as per Rules under Companies Act, 2013. The amount shown as spent on these activities is negligible to the total CSR funds it received.*

*4 From the detailed discussion as above, it is clear that the applicant society is not utilizing the substantial CSR funds being received by it every year as per the objects of its MoA. Moreover, the genuineness of the activities is doubtful. The fact that applicant itself is not recognizing the CSR donations as income in its accounts also goes against it. Therefore, the registration granted to the applicant Society u/s 12(1)(ac)(i) and 12AA of the Act, 1961 is hereby cancelled by invoking the provisions of 12AB(4)(ii) of*

*the Act. Consequently, the applicant Society would not be entitled to claim any exemption u/s 11 & 12 of the Act.”*

6. Thus, Id. CIT(E) has cancelled the application as assessee could not explain activities as charitable, therefore, Id. CIT(E) was having doubt about the genuineness of the activities.

6.1 On perusal of the submission filed by the assessee in the paper book it is observed that assessee has spent on dialysis of Mrs. Seema, Mr. Ashok Kumar, Orthopedic treatment, assessee has also donated to Sai Ashram Centre. Assessee has reimbursed expenditure on books and note books.

6.2 Thus, in the list assessee has specified the activities performed however, it seems that assessee had not filed evidenced of these activities before the Id. CIT(E). In the facts and circumstances of the case, we set aside the order of Id. CIT(E) dated 19.06.2025 to Id. CIT(E) for de novo. We also direct the assessee to file all necessary details before the Id. CIT(E) within three effective opportunities. The Id. CIT(E) shall provide opportunity of hearing to the assessee. Accordingly, the grounds of the appeal raised by the assessee are allowed for statistical purposes.

### **ITA No.29/Asr/2025**

7. This appeal of the assessee relates to the rejection of application for approval u/s 80G. The ground of appeal taken by the assessee is as under:

*“1. That the Id. CIT(E), erred in arbitrarily rejecting assessee's application for grant of regular registration sought as per Item (A)*

*of sub-clause (b) of clause (ii) of 2nd proviso to sub-sec (5) of section 80G.*

*2. That the impugned order of rejection is unsustainable in law, when the Id.PCIT (E) failed to afford a reasonable opportunity of being heard before rejection of application, as mandated in Item (B) of sub-clause (b) of clause (ii) of 2nd proviso to sub-sec (5) of section 80G.*

*3. That the ld. CIT (E)'s misconstrued the facts qua the provisions of sec 12A(1)(ac) (iii) of the Act, as noted in the opening line of impugned order, and thus proceeded on a wholly erroneous assumption as if it were a case of new trust, yet to commence its activities, and finally refused registration, on the false premise that no activities had been commenced.*

*4. That the Id. PCIT(E), wrongly mixed up the provisions of sec 12A(1)(ac)(iii) with parallel provisions of clause(iii) of 1st proviso to Sec.80G(5) of the Act to refuse registration in a confoundedly confused manner.*

*5. That the ld. PCIT(E) grossly misread the financials of assessee, to wrongly infer that the applicant society, though registered since 23.12.2016, had not yet commenced its activities, and hence not entitled to registration u/s.80G(5)(iii) of the Act.*

*6. That the ld. PCIT(E) crucially skipped to take note of the basic fact, as amply stated in the MOU, that the applicant society was formed to undertake CSR activities on behalf of its principles, namely Uni-cum-India Private Ltd, which the applicant society had been regularly conducting.*

*7. That the order under appeal being unjust, arbitrary, against natural justice and de hors the facts and law, is liable to be set aside and the assessee's application for grant of registration, as applied for, deserves to be allowed.*

*8. That the assessee craves leave to add or amend any of the grounds of appeal till the appeal is finally heard.”*

8. We have already set aside the matter to the file of the Id. CIT(E) in the case of ITA 605/Asr/2025 in respect of this assessee and consequently in ITA 29/Asr/2025 application for approval u/s 80G is also *mutatis mutandis* shall apply to be decided in the light of our above observation in ITA 605/Asr/2025.

8.1 As such, this appeal is also set aside and allowed for statistical purposes.

9. In the result, both the appeals of the assessee are allowed for statistical purposes.

**Order pronounced on 17.03.2026 in the open Court.**

**Sd/-**

**(UDAYAN DASGUPTA)**  
**Judicial Member**

**Sd/-**

**(DR. DIPAK P. RIPOTE)**  
**Accountant Member**

AKV

Copy of the order forwarded to:

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

True Copy  
By order