

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "D", NEW DELHI  
BEFORE SHRI H.S. SIDHU, JUDICIAL MEMBER  
AND  
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER

	I.T.A.No.114/Del/2014	
	A.Y. : -----	
KUNTI NAMAN PHARMA & TECHNOLOGY SCIENCE SOCIETY C/O ANIL ASHOK & ASSOCIATES, CHARTERED ACCOUNTANTS, 1 <sup>ST</sup> FLOOR, VERMA SWEETS, ARYA NAGAR, JWALAPUR, HARIDWAR (UTTARAKHAND) (PAN: AAATK9002E)	VS.	COMMISSIONER OF INCOME TAX, DEHRADUN
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>

Assessee by : Sh. Piyush Kaushik, Adv.  
Department by : Ms. Rachna Singh, CIT(DR)

**ORDER**

**PER H.S. SIDHU, JM**

The Assessee has filed the present appeal against the impugned order dated 17/10/2013 passed by the Ld. Commissioner of Income Tax, Dehradun on the following grounds:-

1. That on the facts and circumstances of the case and in the law, the CIT has grossly erred in denying registration to the assessee society u/s. 12A(a) of the Income Tax Act, 1961.
2. That on the facts and circumstances of the case and in the law, the CIT has grossly erred in failing to appreciate that the assessee society has been incorporated essentially for the purpose of providing education which is per se a charitable purpose and

that the entire income is wholly and exclusively dedicated for the purpose of society without even a single rupee distribution on account of profits to its members clearly entitling the society for registration in accordance with the decision of Hon'ble Supreme Court in the case of American Hotel & Lodging Educational Institute vs. CBDT 301 ITR 86 SC & other decision, inter alia, from Hon'ble Supreme Court.

That the appellant craves leave to add to and / or amend, modify or withdraw the grounds outlined above before or at the time of hearing of the appeal.

2. The brief facts of the case are that the Applicant filed an Application for registration u/s. 12A(a) dated NIL on 8.4.2013 before the Ld. CIT, Dehradun. Accordingly, the assessee was served the notice dated 25.4.2013 by the Ld. CIT for furnishing the following information / details on 6.5.2013.

1. Details regarding trust members where PAN is not available, Ward/Designation of the Assessing officer under whose jurisdiction assessee's address falls.

2. Copy of minutes of the last Board meeting of the trust.

3. Updated copy of bank account of the trust for the last 3 years or from the date of opening of the account where the accounts are less than three years old .

4. Names, addresses and PAN Nos. of the donors of Rs.25,000/- and above. Where PAN of the donor is not available, Ward/Designation of the Assessing Officer having territorial jurisdiction over the case.

5. Copy of PAN/I.T. Return of the society/trust.

6. Original copy of registration certificate, memorandum of association & Rule & regulation for verification.

7. Evidence to substantiate that any charitable work has so far been done by the Society /trust.

8. Minutes book, books of account i.e, cash book, ledger & Voucher of expenses for verification for the last three years.

9. Notes on activities with the quantum of expenditure incurred on different charitable activities .

10. Copy of declaration u/s. 13(1)© & 13(1)(d).

11. Copy of audited accounts/receipt and payment account for the last three years or whichever, is applicable. '

2.1 In response to the above notice, Assessee's AR attended the proceeding from time to time and he stated that assessee that two institutes are being run under the society namely Kunti naman Institute of Pharma Technology and Science and Kunti Naman Institute of Management and Technology.

2.2 The above institutes are running under the Punjab Technical University and Uttrakhand Open University. Ld. CIT has observed that it was clarified that no charitable activity was being undertaken by the society but since Education itself qualifies for exemption being a charitable activity, the society qualifies for the same. The counsel was asked whether there were some needy students who were being charged less than the normal fee or were being imparted education free of cost. The answer was in the negative. The assertion of the ld. counsel ignores the facts that section 2(15) of the I.T. Act,1961 defines charitable purpose and without any charity being established even the running of an educational institute will not entitle the applicant for registration. Application filed by the assessee, replies furnished, Balance Sheet and Income & expenditure account have been carefully gone through. The objects of the Trust have also been perused.

2.3 A perusal of the above material, however, brings out that the trust is apparently a commercial institute, engaged in sale of education and the business is expanding year after year. There is increase in capital

expenditure also which shows that the society is engaged in expansion and increasing receipts rather than concentrating on the objective of imparting education while correlating it with the spirit behind the Legislation granting exemptions which is bold and clear i.e. 'charity'. The activities of the society are commercial in character and not charitable precisely as concluded by the Hon'ble High Court of Uttarakhand on similar facts in the case of CIT Vs. Queens Education Society reported in 177 Taxman 321.

2.4 Further, in the case of National Institute of Aeronautical Engineering Educational Society vs. CIT (2009) 184 Taxman 264 (Uttarakhand) it was observed that charity is the soul of the expression "charitable purpose" as defined in Section 2(15) of the I.T Act. Mere trade or commerce in the name of education cannot be said to be a charitable purpose. The Uttarakhand High Court 'held that the CIT was correct in rejecting the section 12AA application as the society was charging substantial fees, from the students and making huge' profits. To quote the Hon'ble High Court "The expression 'not involving carrying on of any activity for profit' cannot be read with expression 'education', but that does not make every kind of pure. commercial activity in the name of education a charitable one. Therefore, assessee's case is a clear case of sale of education, and therefore, it could not be considered as a charitable institution u/s 2(15) because the purpose of the organization as a whole is to make profit.

2.5 Keeping in view the above facts and discussion, the application filed by the society for registration u/s. 12A(a) was rejected by the Ld. CIT, Dehradun vide order dated 17.10.2013.

3. Aggrieved with the aforesaid order dated 17.10.2013 assessee is in appeal before the Tribunal.

4. During the hearing, Ld. Counsel of the assessee filed a Paper Book containing pages 1 to 56 having the copy of Application in Form 10A for Registration, Audited Accounts for FY 2011-12, FY 2010-11 & FY 2009-10; Submission dated 2.9.2013 before the CIT; Details in Lab Equipments; Details of Fee Structure; Accreditation certificates from Punjab Technical

University and Garhwal University Uttarakhand; Submission dated 14.8.2013 before the CIT alongwith the enclosures; Submission dated 23.8.2013 before the CIT alongwith enclosures; Registration Certificate under Societies Registration Act, 1860; Memorandum & Articles of Association of Society; Order u/s. 12AA of CIT in the case of Shree Balaji Educational Trust framing identical reasons for denial of registration u/s. 12A and Decision of Delhi ITAT in the case of Shree Balaji Educational Trust vs. CIT dated 18.3.2016 in ITA No. 877/14 under exactly identical circumstances duly relied upon. He further filed the copy of the True translated copy of Aims and Objectives of assessee society and true translated copy of aims and objectives of Shree Balaji Educational Trust. Therefore, he requested that following the decision of the ITAT in the case of Balaji Educational Trust (Supra) the issue in dispute may be decided in favor of the assessee and Appeal filed by the Assessee may be allowed.

4.1 At the time of hearing Ld. DR relied upon the orders of the lower authorities and placed reliance upon the decision of the Hon'ble Uttarakhand decision in the case of CIT vs. National Institute of Aeronautical Engineering Educational Society (Uttarakhand).

5. We have heard the both parties and perused and considered the relevant records available with me especially the impugned orders passed by the Revenue Authorities, copy of the order passed u/s. 12AA of the CIT in the case of Shree Balaji Educational Trust framing identical reasons for denial of registration u/s. 12A and the ITAT, Delhi decision dated 18.3.2016 passed in the case of Shree Balaji Educational Trust vs. CIT in ITA No. 877/14. We have also perused the true translated copy of aims and objectives of the assessee society and true copy of aims and objectives of Shree Balaji Educational trust as considered by the Coordinate Bench of ITAT in the case of Shree Balaji Educational Trust vs. CIT vide decision dated 18.3.2016 in ITA No. 877/14 under exactly identical circumstances.

For the sake of convenience, we are reproducing Order of ITAT, Delhi in the case of Shree Balaji Trust vs. CIT dated 18.3.2016 in ITA No. 877/14 under exactly identical circumstances, as under:-

3. *The Ld Counsel further pointed out that the CIT(E) has framed two reasons for refusing to grant registration under section 12A of the Act viz. first that the education should be given free of cost to some needy students and second the assessee is expending and increasing its receipts therefore not entitled for registration. The Ld Counsel of the assessee vehemently pointed out that as per amended provision of section 2(15) of the Act the expression charitable purpose includes relief to the poor, education, yoga, medical relief, preservation of environment & monuments and advancement of other object of the general public utility and these independent terms used by the legislation have independent meaning and education per-se is charitable purpose. The Ld Counsel of the assessee has placed reliance on the decision of ITAT Delhi in the case of Shavak Shiksha Simiti Vs CIT 104 TTJ 127 (Delhi) and submitted that there is no dispute that education per-se as a charitable purpose just like relief to poor or medical relief.*
4. *The Ld Counsel further placing reliance on the decisions of Hon'ble Supreme Court in the case of Addl. CIT VS. Surat Art Silk Cloth Manufactures Association [1980 121 ITR 1 (SC), Aditanar Educational Institution Vs. Addl. CIT [1997 224 ITR 310 (SC) and American Hotel and Lodging Association Educational Institute Vs. CBDT [2008 301 ITR 86 (SC) submitted it is clear that when a surplus is ploughed for educational purposes the educational*

*institution exists solely for educational purposes and not for purposes of profit. The Ld Counsel lastly pointed out that recently the Hon'ble Supreme Court in its decision in the case of Queen's Educational Society Vs CIT (2015) 372 ITR 699 (SC) reversing the decision of Uttarakhand High Court in the case of CIT Vs Queens Educational Society and other similar decision as relied by CIT in the impugned order has clearly held that where an educational institution carries on activity of education primarily for educating persons the fact that it does makes a surplus does not lead to a conclusion that it ceases to exist solely for educational purposes and becomes an institution for the purpose of making profit. Reversing the decision of Uttarakhand High Court it has been held by Supreme Court in this decision that when a surplus is ploughed back for educational purposes the educational institution exists solely for educational purposes and not for the purposes of profit.*

5. *Replying to the above the Ld DR supported the impugned order and submitted that in the case of National Institute of Aeronautical Engineering Educational Society Vs. CIT (2009) 184 Taxman 264 (Uttarakhand) it was observed that charity' is the soul of the expression "charitable purpose" as defined in section 2(15) of the I.T.Act. Mere trade or commerce in the name of education cannot be said to be a charitable. No other argument was submitted by the Ld DR.*
6. *Placing rejoinder to the above submissions of the revenue the Ld Counsel again placed his reliance on the recent decision of Hon'ble Apex Court in the case of Queens*

*Educational Society Vs CIT (Supra) and submitted that the Hon'ble Supreme Court reversing the decision of Hon'ble Uttarakhand High Court has held that when a surplus is ploughed back for educational purposes then it cannot be said that the institution exist for profit motive. The Ld Counsel pointed out that the CIT(E) has not brought out any allegation to show that the surplus of receipt was misused or used other then the educational purposes and against the object of the society.*

7. *On careful consideration of above rival submissions and perusal of the impugned order and relevant record we note that the CIT(E) has not brought out any allegation to show that the receipt/income of the assessee's trust was not used for the educational purposes and the same was used for other purposes beyond the objectives of the applicant trust. It is also pertinent to note that the reasons recorded by the CIT(E) that the education should be given free of cost to some needy students and applicant is expending and increasing its receipts is not a criteria or relevant fact for gathering satisfaction as required under section 12A of the Act for grant of registration under said provision. The CIT has relied on the decision of Hon'ble Uttarakhand High Court in the case of CIT VS Queens Educational Society reported as 177 Taxman 321 but we respectfully note that this decision has been reversed by Hon'ble Supreme Court in the case of Queen Educational Society VS CIT (Supra) wherein their lordship held that when the surpluses of a educational institution has been used for educational purposes then it should be held that the educational institution exists solely for educational purposes. We may pointed out that merely because the applicant trust is*



*increasing its assets and receipts does not ipso- facto established that the applicant trust exists for the purposes of profit and carried out educational activities with a profit motive in the nature of trade commerce or business as provided in the amendment provision of section 2(15) of the Act.*

8. *At this stage it is relevant to take cognizance of decision/order of ITAT Delhi D Bench in the case of JK Education Samiti Vs CIT, Rohtak dated 20.05.2015 passed in ITA No. 6251/Delhi/2013, as relied by the Ld Counsel of the assessee, wherein it was held thus:*

*“We have heard rival parties and have gone through the material placed on record. We find that Section 12AA deals with the procedure for registration which inter alia provides that on an application filed by assessee, the Commissioner of Income Tax will make certain queries as he may deem necessary in this respect and after getting satisfied about the objects of the society/institution and the genuineness of activities, he shall pass an order in writing registering the institution or on non satisfaction, refusing the registration thereof as the case may be. However, before passing order for refusal of registration, the assessee will be provided reasonable opportunity of being heard. Therefore, from the above provision of law, we find that at the time of registration u/s 12AA, the Commissioner is only required to examine the objects of the society / institution as well as genuineness of activities of the assessee and if he finds that the objects of the society are charitable, and the activities as stated in the object clause of the society are being carried out, then he is bound to*

*grant registration u/s 12AA of the Act. Hon'ble High Court of Uttarakhand as relied upon by Ld. D.R. in the case of CIT VS National Institute of Aeronautics and Education 181 Taxman 205 has held that where the assessee was earning profits by charging hefty fees, the assessee cannot be said to be engaged in charitable activities and was not eligible for registration u/s 12AA of the Act. However, the Hon'ble Supreme Court in the case of Queens' Educational Society Vs CIT 245 CTR 449 has held that mere earning of profit cannot be the reason for not allowing registration under the provisions of Section 12AA. The findings of Hon'ble Supreme Court as contained in para 19 are reproduced below:*

*"It is clear, therefore, that the Uttarakhand High Court has erred by quoting a non-existent passage from an applicable judgment, namely, Aditanar and quoting a portion of a property tax judgment which expressly stated at rulings arising out of the Income Tax Act would not be applicable. Quite apart from this, it also went on to further quote from a portion of the said property tax judgment which was rendered in the context of whether an educational society is supported wholly or in part by voluntary contributions, something which is completely foreign to Section 10(23C) (iiiad). The final conclusion that if a surplus is made by an educational society and ploughed back to construct its own premises would fall foul of section 10(23C) is to ignore the language of the Sec 'on and to ignore the tests laid down in the Surat Art Silk Cloth case, Aditanar case and the American Hotel and Lodging case. It is clear that when a surplus is ploughed back for educational purposes, the educational institution exists solely for educational purposes and not for purposes of*

*profit. In fact, in S.R.M.M.CT.M. Tiruppani Trust v. Commissioner of Income Tax, (1998) 2 SCC 584, this Court in the context of benefit claimed under Section 11 of the Act held"*

6. *Though, the above findings of Hon'ble Supreme Court are with reference to Section 10(23C)(iiiad) and not in respect of Section 11 and 12 yet the ratio of decision is that mere earning of profit in the course of carrying out charitable activities cannot be a reason for not granting registration u/s 12AA of the Act.*

7. *Hon'ble Punjab & Haryana High Court in the case of CIT Bhatinda Vs Baba Deep Singh Educational Society vide order dated 13.10.2011 has held that the jurisdiction of the Commissioner at the stage of processing application u/s 12AA of the Act is to examine the genuineness of the objects of the Trust, whether they are genuine and in consonance with the objects of the trust or institution and where education is being imparted as per the rules and the factum of the establishment and running of schools is not disputed, the same was a genuine activity and the enquiry regarding genuineness of the activities cannot be stretched beyond this. The relevant findings of Punjab and Haryana High Court are reproduced as under:*

"2. *The respondent-society applied for registration under Section 12AA of the Income Tax Act, 1961 (hereinafter referred to as "the. Act") on 31.3.2009. The said application was declined by the Commissioner of Income Tax, Bathinda (for short "the CIT") vide order dated 25.9.2009. The CIT came to', the conclusion after examining the income and expenditure and the balance sheet for the period ending on*

31.3.2006, 31.03.2007 and 31.3.2008 that the society had received donations and the capacity of donors and genuineness of transactions have not been explained. The CIT while noticing that society was running a Polytechnic College further took into consideration that the society was earning profits for the last two year and had claimed exemption under Section 10(23C) of the Act. The reasons to switch over to Section 11 of the Act remained unexplained for claiming exemption under Section 12AA of the Act and while taking into consideration Section 2 (15) of the Act the CIT came to the conclusion that since the society was charging building fund, development fund, sports fund and transportation costs etc., the same could not be termed as charitable activity by any definition.

3. The society preferred an appeal before the Income Tax Appellate Tribunal, Amritsar Bench, Amritsar (hereinafter referred to as "the Tribunal") which has allowed the appeal of the society and has set aside the order passed by the CIT and directed that registration applied for by the appellant under Section 12AA of the Act be granted. The present appeal is directed against the said order and the following questions of law have been formulated by the revenue:-

- "1. Whether, in the facts and circumstances of the case, the Id. ITA T was right in law to restrict the powers of the CIT for making the enquiries u/s 12AA(a) of the Act despite the fact that the said section provides that the CIT can make such enquiries as he may deem necessary in this behalf.
2. Whether, in the facts and circumstances of the case the Id. ITAT was right in law in granting registration to the

*assessee Trust when no work of relief to the poor in the field of education was done as per definition of "Charitable Purposes" provided u/s 2(15) of the Act."*

- 4. The Tribunal while allowing the appeal has noticed at Memorandum of Association and the objects of the society was to do charitable work, projects and activities relating to education which have not been considered while declining the application under Section 12AA of the Act. It was further held that the CIT should have only seen the genuineness of the activities of the society and circular NO.11/2008 dated 19.12.2008 was also referred that the provisions of Section 2(15) of the Act are not applicable to a society. Accordingly, it was held that nature and scope at the stage of grant of registration under Section 12AA of the Act is to only regarding the objects of the society. The Tribunal also distinguished the provisions of Sections 10(23C) and 12AA of the Act and scope of the said sections and held that it was open to the revenue authorities while processing the return of the income of those assesseees to examine their claim under Sections 11 and 13 of the Act and give such treatment to those societies as warranted by the facts of the case. The power of the revenue authorities to cancel registration under Section 12AA (3) of the Act was also taken into consideration on the ground that same can be resorted to if the Commissioner is satisfied that the activity of such society or institution are not genuine or are not being carried out in accordance with the objects of the society/institution.*
- 5. The power of the CIT regarding the scope of Section 12AA of the Act has been considered by this Court in the order dated 5.10.2011 passed in CIT Vs. Surya Educational & Charitable Trust [2011] 203 Taxman 53/15 taxmann.com*

123 (Punj. & Har.) and it has been held that Section 12AA of the Act, requires satisfaction in respect of the genuineness of the activities of the Trust, which includes the activities which the Trust was undertaking at present and also which it may contemplate to undertake. The insertion of Sub Section 3 to section 12AA of the Act regarding the powers of the Commissioner to cancel the registration if the activities of the trust are not carried out in accordance with such objects was also noticed.

6. The Allahabad High Court in CIT Vs. Red Rose School [2007] 163 Taxman 19 has held that the jurisdiction of the Commissioner at the stage of processing application under Section 12AA of the Act is limited regarding whether the activities are genuine and in consonance with the objects of the trust or institution and where education is being imparted as per the rules and the factum of the establishment and running of schools is not disputed the same was a genuine activity and the enquiry regarding genuineness of the activities cannot be stretched beyond this.

7. In view of above facts and circumstances, it would be clear that respondent-society which was admittedly running a Polytechnic College and the activities were interwoven for furthering the projects and activities pertaining to education, the Tribunal rightly directed that registration should be granted to the respondent- society with the rider that the same could always be cancelled if it came to the notice of the CIT that the society was not carrying on the activities as per its objects. The Commissioner while processing the application under Section' 12AA of the Act was not to act as an Assessing Authority and thus, the

*Tribunal has rightly allowed the appeal filed by the society In the facts and circumstances of the present case.*

*Accordingly, no substantial question of law as contended in the present appeal arises for determination by this Court and the order dated 31.3.2010 passed by the Tribunal is upheld. Consequently, the appeal is dismissed."*

8. *Similarly, Hon'ble Delhi High Court in the case of CIT Vs O.P.Jindal Global University, I.T.A. No. 190/2011 and 285/2012 dated 2.5.2013, under similar circumstances, has held as under:*

*"Therefore, the object of Section 12AA of the Act, is to examine the genuineness of the objects of the Trust, but not the income of the Trust for charitable or religious purposes. The stage for application of income is yet to arrive i.e. when such Trusts or institution files its return. Therefore, we find that the judgement referred to by the Learned Counsel for the appellants are not applicable to the facts of the present case arising out of the question of registration of the Trust and not of assessment."*

9. *It is an undisputed fact that assessee is running educational institution as is apparent from the assessment order of earlier years placed at paper book pages 124-126 and moreover the object clause as placed in paper book pages 3-14 suggests that assessee is running school for educational purposes. The argument of Ld. D.R. that original constitution needs to be examined with respect to objects clause does not hold much force as A.O. in assessment orders of earlier years (as placed in paper book pages 124-126) has noted that society was running a school. In view of above facts and circumstances and in view of the judgements as noted above, we direct the*

*Commissioner to allow registration u/s 12AA of the Act. The A.O. during assessment proceedings will however be entitled to examine the books of accounts of assessee with a view to examine any violation of the Act and can disallow exemption u/s 11 if anything adverse is found.*

*10. In view of above, appeal filed by assessee is allowed.”*

*9. On the basis of forgoing discussion we reach to a fortified conclusion that the CIT dismissed application of the assessee for grant of registration under section 12A of the Act by recording incorrect and irrelevant facts and circumstances and the assessee successfully established that it was created for the charitable purposes including education activity and it used its funds for the purpose of educational activities and therefore the applicant trust is eligible for registration under section 12A of the Act.*

*10. It is relevant to mention that grant of registration under section 12A of the Act does not automatically make eligible the applicant for exemption under section 11 and other relevant provisions of the Act. During the assessment proceedings while considering such claim of assessee the AO is fully empowered to examine and verify these facts that whether the assessee/applicant has applied its receipts towards its charitable objects and the AO is also empowered to verify as to whether the applicant assessee is conducting any activity in the name of charitable which is actually in the nature of trade commerce or business. These sovereign powers of the tax authorities are perpetual which cannot be taken away only by grant of registration under section 12A of the Act. It is also relevant to mention that the grant of registration under section 12A of the Act merely a pre-qualification for claiming exemption under*



*section 11 and other relevant provisions of the Act, which should be granted by recording satisfaction as required under the said provision.*

*11. Finally, we hold that the CIT dismissed application for registration without any justified reason and by considering incorrect and irrelevant facts and the ld. CIT(A) has not brought any adverse finding on record to show that the objects of the Trust are not charitable or non genuine. At the same time, we note that the applicant successfully established that it was created with charitable objects and purposes, activities are genuine and in consonance with the charitable objects and all receipts/income surplus is being used for education purposes. Therefore, we set aside the impugned order and thus conclusion of the CIT is demolished. Consequently, the CIT is directed to grant registration under section 12A of the Act to the applicant trust.*

*6. In the result, appeal of the assessee is allowed in the manner as indicated above.*

6. After perusing the aforesaid order of the Tribunal in the case of Shree Balaji Educational Trust, copy of the aims and objectives of the assessee society, copy of aims and objectives of Shree Balaji Educational Trust, order of the ld. CIT in the case of the assessee and in the case of Shree Balaji Educational Trust, we note that the assessee is a society registered under the provisions of Societies Registration Act, 1860. The society has been incorporated with the main objective of providing 'education' as noted in the impugned order passed by the Ld. CIT. We also note that it is undisputed that the assessee society is running the two institutes i.e. Kunti Naman

Institute of Pharma Technology & Science and Kunit Naman Institute of Management and Technology for providing education in the curriculum of BBA, BCA, MBA, MCA etc. These institutes are affiliated to Punjab Technical University and Uttarakhand Open University. It is also noted that the fee structure charged by the assessee is very reasonable i.e. Rs. 2000-2500 per month for even specialized course such as BBA, BCA, MSC etc. We also note that the ld. CIT has framed two reasons for refusing to grant registration u/s. 12A i.e. first narrated in para no. 2 in his impugned order that the education should be given free of cost to some needy students and the second reason vide para no. 4 that the assessee is expanding and is increasing receipts, therefore, not entitled for exemption. We also note that Ld. CIT relied on the decision of the Uttarakhand High Court in the case of CIT vs. Queens Educational 177 Taxman 321 and another similar decision in the case of National Institute of Aeronautical Engineering Educational Socieity vs. CIT 184 Taxman 264 which have been since been reversed by the Hon'ble Supreme Court vide decision in the case of Queens Educational Educational Society vs. CIT (2015) 372 ITR 699 (SC). In view of above, we are of the considered view that the present case is squarely covered by Coordinate Bench decision in the case of Shree Balaji Educational Trust vs. CIT dated 18.3.2016 in ITA No. 877/Del/2014 under exactly identical facts and circumstances. The Coordinate Bench in the Balaji's case (Supra) clearly concurred with the submission of the assessee to the effect that 'education' is per se a charitable object. Taking note of the fact that the decision as relied upon by the CIT have been reversed by the Supreme Court in its decision in the case of Queens Educational Society vs. CIT (2015) 372

ITR 699 (SC). In view of the foregoing facts and the legal position, we are of the considered opinion that the assessee is entitled for registration u/s. 12A. Therefore, respectfully following the precedent of the Coordinate Bench in the case of Shree Balaji Educational Trust vs. CIT (Supra), we set aside the impugned order passed by the Ld. CIT and accordingly, direct the Ld. CIT to grant registration under section 12A of the Act to the applicant.

7. In the result, the appeal of the Assessee is allowed.

Order pronounced in the Open Court on 04/01/2017.

**Sd/-**

**SD/-**

**[PRASHANT MAHARISHI]  
ACCOUNTANT MEMBER**

**[H.S. SIDHU]  
JUDICIAL MEMBER**

*Date 04/01/2017*

**“SRBHATNAGAR”**

**Copy forwarded to: -**

1. Appellant -
2. Respondent -
3. CIT
4. CIT (A)
5. DR, ITAT

TRUE COPY

By Order,

Assistant Registrar, ITAT, Delhi Benches