IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. ITA-290 of 2019

The Commissioner of Income Tax (Exemptions), Chd ....Appellant

vs.

M/s Shri Rani Sati (Mangliwala), Trust So. City,Hisar ...Respondent

2. ITA-295 of 2019

The Commissioner of Income Tax (Exemptions), Chd ....Appellant

vs.

M/s Shri Rani Sati (Mangliwala), Trust So. City,Hisar ...Respondent

Date of decision:- 09.05.2023

**CORAM: HON'BLE MS. JUSTICE RITU BAHRI
HON'BLE MRS. JUSTICE MANISHA BATRA**

Present: Mr. Varun Issar, Standing counsel
for the appellant

Mr. Himmat Singh Sidhu, Advocate
for the respondent.

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Ritu Bahri, J.

1. This judgment shall dispose of the above mentioned two appeals together, as common questions of law and facts are involved therein. However, for facility of reference, the facts are being taken from ITA-290-2019.

2. The appellant-department has filed the above mentioned two appeals under Section 260-A of the Income Tax Act, 1961 (for short 'Act 1961') challenging order dated 30.11.2018, whereby the appeals filed by the assessee/respondent against order dated 30.09.2016 were allowed.

3. A bare perusal of the impugned order shows that the land in question bleonged to Dadi Rani Sati Mandir, wherein public at large makes prayers. The diety "Sati Dadi' belongs to Goyal Gotra of Mangli village. The hospital building is constructed on the land owned by society trust, upon

mutual agreement between assessee and M/s Aspam Foundation, which helped in achieving objectives of assessee, by helping them in constructing hospital on land owned by assessee for benefit of public at large. M/s Aspam Foundation is registered at Delhi, having Registration Certificate under Section 12A and members of M/s Aspam Foundation are memebrs of applicant-society as well. M/s Aspam Foundation sent approximately 85% of its receipts which was utilized for construction of hospital building onland owned by assessee. The affairs of hospital are being reflected in the accounts of M/s Aspam Foundation. The assessee during year under consideration constructed Satsang Bhawan and Temple which has not been disputed by CIT (E). These forms part of balance sheet as on 31.03.2015. The assessee thus achieved its objective of trust through M/s Aspam Foundation.

4. In view of the above factual position, the Tribunal has rightly allowed the appeals of the assessee on the ground that merely because a business group and Directors of Company are members of society, does not dilute nature of society being a trust. The assessee/respondent thus deserves to be granted registration under Section 12AA of the Act. .

5. The impugned order dated 30.11.2018 does not suffer from any illegality and the issue has rightly been examined in detail by the Tribunal.

6. No merits.

7. The appeals stand dismissed.

(RITU BAHRI)
JUDGE

09.05.2023
G Arora

(MANISHA BATRA)
JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No