

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B', NEW DELHI**

**BEFORE Dr. B. R. R. Kumar, Accountant Member
SHRI YOGESH KUMAR US, JUDICIAL MEMBER**

ITA No. 6281/Del/2019

C. R. Dadhich Memorial Society Bhattu Road, Fatehabad, Haryana PAN: AACAC4682P (Appellant)	Vs.	CIT(E), Chandigarh (Respondent)
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Assessee by : **Shri Mukesh Jain, Ca
Shri Sahil Gupta, CA**

Revenue by: **Shri Mahesh Shah, CIT
DR**

Date of Hearing 26/05/2022	Date of Pronouncement: 27.06.2022
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ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

1. This is an appeal filed by the Assessee against the order of the Id CIT (Exemption), Chandigarh dated 28.05.2019.
2. The Assessee has raised the following grounds of appeal:-
 - "1. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in rejecting the application for registration under section 12AA of the Act.*
 2. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in rejecting the application for registration under section 12AA of the Act, despite the assessee bringing all material and evidences on record.*
 3. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in rejecting the application for*

registration under section 12AA of the Act in view of an earlier application having been rejected, ignoring the fact that there is no law preventing the assessee to file a second application for registration under section 12AA of the Act.

4. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in rejecting the application for registration under section 12AA of the Act despite the fact that the assessee is having objects which are charitable in nature and the activities of the assessee society are genuine.*
5. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in rejecting the application for registration under section 12AA, ignoring the fact that the only two conditions which are to be verified by the CIT, at this stage are the objects of society being charitable in nature and the activities being genuine.*
6. *On the facts and circumstances of the case Id. CIT (Ex) has erred both on facts and in law in misinterpreting the facts of the case."*

3. C.R. Dadhich Memorial Society (assessee) established under the Haryana Registration and Regulation of Societies Act, 2012 on 02.03.2016 with main object to render efficient services to nation, to take over, establish run and manage teacher training institutions and provide other facilities to the requiring of educational institutions in General and for handicapped and distress people in particular etc. the assessee runs skill Development training centre in affiliation with Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

4. The assessee applied for registration u/s 12AA of the Income Tax Act, 1961 on 28.07.2017 which was rejected on 31.01.2018 by stating that imparting skill development does not tantamount to charity and does not cover under the charitable activities mentioned in section 2(15) of the Income Tax Act.

5. After this rejection, the assessee applied again on 02.11.2018 for registration u/s 12A of the Income Tax Act, 1961 and duly replied all the queries raised by the Ld. CIT(E), Chandigarh who again on 28.05.2019 passed the order of rejection u/s 12AA. The Ld. CIT(E) in the order stated that imparting skill development training doesn't partake the meaning of public charity.

6. Heard the arguments of both the parties and perused the material available on record.

7. Training means & constitutes a basic concept in human resource development. It is concerned with developing a particular skill to a desired standard by instruction and practice. Training is a highly useful tool that can bring a person into a position where they can do their job correctly, effectively, and conscientiously. Training is the act of increasing the knowledge and skill of a person for doing a particular job. The assessee with the affiliation of Ministry of Skill Development & Entrepreneurship (MSDE) under the scheme has provided training to youths of India and falls under the category of Education and/ or Advancement of any other objects of general public u/s 2(15) of the Act.

8. Reliance is being placed on the decision of ITAT Delhi in the matter of ESCORTS SKILL DEVELOPMENT VERSUS CIT (EXEMPTIONS), CHANDIGARH (ITA No.527/Del:/2017 And ITA No.528/Del./2017) wherein it was held that "imparting skill development training by the applicant company which is also a flagship project of the Government of India for sustaining its growth rate and to create the pool of skill worker to further enhance its growth and development is a charitable activity following within the definition education u/s 2(15) entitling the applicant company for registration u/s 12AA of the Act and consequent approval u/s 80G of the Act, hence both the appeals filed by the applicant company are allowed directing the CIT (E) to provide registration u/s 12AA to the assessee and grant consequent approval u/s 80G of the Act.

9. Reliance is also being placed on the decision of Hon'ble ITAT Delhi in the matter of PROCESS-CUM-PRODUCT DEVELOPMENT CENTRE, MEERUT VERSUS ADDL. CIT, CIRCLE 2, MEERUT Citation No. 2019 (2) TMI1129 - ITAT DELHI wherein it was held that "the word 'education' is to be given wide interpretation which includes training and developing the knowledge, skill, mind and character of the students by normal schooling.

10. The issue before us stands covered by the following decisions:-

- a. RUBBER SKILL DEVELOPMENT COUNCIL (FORMERLY RUBBER SKILL DEVELOPMENT CENTRE) VERSUS DIT (E) , NEW DELHI (ITA No. 3216/DeI/2014)
- b. GEAR TRAINING AND RESEARCH FOUNDATION VERSUS CIT (EXEMPTION), JAIPUR (ITA. No. 49/JP/2021)
- c. CENTRAL INSTITUTE OF TOOL DESIGN, HYDERABAD VERSUS DIRECTOR OF INCOME-TAX (EXEMPTION), HYDERABAD (ITA No. 1563/Hy d/2014)

11. We also find that the Ld. CIT (E) has taken incorrect inference that total credit of Rs. 7.66 Crore during the financial year 2017-18 does not commensurate with the Income shown in the Income & Expenditure account which is Rs. 5.28 Crore. In this regard the reconciliation of the credit in the bank with the Income in Income & Expenditure Account submitted by the assessee as below:

Particulars	Amount (in Rs.)
Total Credit in Vijay Bank Account	7,48,47,666/-
Less:	2,89,60,506/-
Reversals in bank account (As per Table No. 2)	
Net Credit in Bank Account	4,58,87,160/-
Less: Contra Entries	6,48,000/-
Less:	1,10,000/-
Tender Pees received back	
Less: Receipt of advances given earlier years	13,05,000/-
Less: Other Receipts not forming part of income	2,99,000
Net Receipts in Bank	4,35,25,160/-
Add: TDS Deducted	52,01,948/-
Add: Income Accrued but not received	32,92,383/-
Add: Income received in other bank	6,03,998/-
Gross Income as per Income & Expenditure Account	5,26,23,489/-

Reversals in Bank Account

Particulars		Amount (in Rs.)
Inward Rejected		
23/06/2017	117000	
10/07/2017	50000	
06/09/2017	162446	514446

28/09/2017	75000	
01/11/2017	10000	
19/03/2018	100000	
Wrong Entry by Bank		
08/08/2017	3221662	
26/09/2017	8107922	
24/11/2017	8320476	19650060
Rejected: Insufficient Fund		
27/10/2017	5076000	
06/12/2017	350000	
07/12/2017	350000	
01/02/2018	800000	
06/02/2018	1000000	
07/03/2018	1000000	8576000
Unsuccessful RTGS		
06/05/2017	220000	220000
Total reversal		28960506

12. Thus, we find that the bank entries have been reconciled.

13. Since, imparting skill development is akin to providing education we hereby hold that the assessee is eligible for registration u/s 12AA of the Act

Order pronounced in the open court on 27/06/2022.

Sd/-

**(YOGESH KUMAR US)
JUDICIAL MEMBER**

-Sd/-

**(B.R.R. KUMAR)
ACCOUNTANT MEMBER**

Dated: 27/06/2022

A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi