

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A': NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.4309/Del/2025

Electric Lamp and Component Manufacturers Association of India, C/o Kapil Goel, Adv. G-8/5 Sector-11, Opposite SFS Apartment, Rohini, Delhi-110085. PAN-AAATE0234A	Vs.	CIT (Exemption) Delhi. (Civic Centre Minto Road, Delhi-110002).
(Appellant)		(Respondent)

Assessee by	Dr. Kapil Goel, Adv.
Department by	Shri Jitender Singh, CIT-DR
Date of Hearing	24/11/2025
Date of Pronouncement	21/01/2026

ORDER

PER MANISH AGARWAL, AM:

The present appeal is filed by the assessee against the order of Learned Commissioner of Income Tax (Exemptions) dated 30.06.2025 passed u/s 12AB(1)(b) of the Income Tax Act, 1961 ('the Act' in short) rejecting the registration applied by the assessee u/s 12A of the Act for the period from Assessment Years 2021-22 to 2025-26.

2. Brief facts of the case are that the appellant society was incorporated on 29.06.1970 and registered u/s 12A of the Act in terms of registration certificate issued on 30.09.1986. Thereafter, assessment for Assessment Years 2013-14 and

2015-16 were completed on 29.03.2016 and 11.12.2017 respectively, wherein assessee was allowed exemption u/s 12A of the Act. The assessee was granted registration u/s 12AB of the Act for Assessment Year 2021-12 to 2023-24 vide order dated 27.05.2021, thereafter, assessee applied for permanent approval u/s 12A which was rejected by Ld. CIT(E) vide order dated 30.06.2025 and further cancel the provisional registration granted from Assessment Year onwards.

3. Aggrieved by the said order, assessee is in appeal before the Tribunal by taking following grounds of appeal:

- A) *That Ld. CIT Exemption vide impugned order passed us 12AB(1)(b) of the Act (1961 erred in not Act) renewing/granting the registration of applicant assessee u/s 12AB(1) of 1961 Act and erred in rejecting the appellant's application and erred in cancelling the registration for the period from A.Y. 2021-22 to AY 2025-26 based on untenable/arbitrary/irrational reasoning/grounds;*
- B) *That Ld. CIT Exemption vide impugned order passed us 12AB(1)(b) of the Act (1961 Act) erred in not renewing/granting the registration of applicant assessee w/s12AB(1) of 1961 Act without appreciating that assessee's objects/activities have been throughout treated as charitable under 1961 Act right from inception and is duly assessed u/s 143(3) as such, thus acting against principle of consistency.*
- C) *That Ld. CIT Exemption vide impugned order passed us 12AB(1)(b) of the Act Act) in (1961 erred not renewing/granting the registration of applicant assessee w/s12AB(1) of 1961 Act without appreciating that assessee's stated "objects" duly qualify charitable in nature u/s 2(15) of 1961 Act as ;*
- D) *That Ld. CIT Exemption vide impugned order passed us 12AB(1)(b) of the Act (1961 erred in not Act) renewing/granting the registration of applicant assessee u/s12AB(1) of 1961 Act transgressing/going beyond the well settled scope of permissible examination u/s 12AB of 1961 Act;*
- E) *That Ld. CIT Exemption vide impugned order passed us 12AB(1)(b) of the Act (1961 Act) erred in not renewing/granting the registration of applicant assessee u/s12AB(1) of 1961 Act without appreciating that similar assessee's have been treated as charitable organization u/s 2(15)/sec 11 of 1961 Act in series of binding judicial precedents;"*

4. Since all the grounds of appeal are with respect to rejection of application for registration u/s 12A and withdrawal of provisional registration granted, therefore, all the grounds of the appeal of the assessee are taken together for consideration.

5. Before us, the Ld. AR for the assessee submits that main object of the assessee is of charitable in nature which has been accepted by the Department in the orders passed u/s 143(3) of the Act for preceding assessment years and no doubts were raised. Ld. CIT(E) while withdrawing exemption has not appreciated this fact and held that activities of the assessee are not charitable. It is submitted by Ld. AR that at the time of granting registration, scope of enquiry is limited to verification of objects of the applicant society whether they are charitable or not and if they are found charitable in nature, the Ld. CIT(E) ought to have allowed the registration. In this regard, assessee has placed reliance on the judgment of Hon'ble Supreme Court in the case of *CIT (Exemptions) vs. M/s International Health Care Education and Research Institute* reported in **482 ITR 287 (SC)**. Further reliance is placed on the judgment of Hon'ble Rajasthan High Court in the case of *CIT (Exemptions), Jaipur vs. Shri Baba Balk Nath Seva Sansthan D.B. Income Tax Appeal No.60/2025 (08.09.2025)*.

6. On issued of consistency, reliance is placed on the judgment of Hon'ble Supreme Court in the case of *Parsuram Pottery Works Co. Ltd. vs. ITO* reported in **106 ITR 01 (SC)** and *Radhasoami Satsang Vs. CIT* reported in **193 ITR 321 (SC)** and *CIT vs. Excel Industries Ltd.* **358 ITR 295 (SC)**.

7. On the other hand, the Ld. CIT-DR vehemently supported the orders of CIT(E) and submit that CIT(E) has categorically observed that activities of the assessee are not charitable in nature and the entire receipts from the members were utilized for arranging seminars etc. which activities are commercial in nature and,

therefore, Ld. CIT(E) has rightly rejected the application of the assessee for registration u/s 12A of the Act which orders deserves to be upheld.

8. Heard both the parties and perused the material available on record. The primary objects of the appellant society are as under:

- “1. To enable manufacturers of lamps and components to federate or co-operate by becoming members or associates of the Association either by themselves or their nominees, and to act as the representatives or spokesmen for such manufacturers.*
- 2. To promote co-operation among the manufacturers of electric lamp and other ancillary and kindred business hereinafter referred to as the "Products" and to further and facilitate the manufacture of products in particular.*
- 3. To promote the consideration and discussion of all question affecting the lamp trade, manufacture and all ancillary and allied trades, and every branch of any such trade and to generally watch over and protect the interest of person engaged in the manufacture of products.*
- 4. To diffuse among its member information on all matters affecting them.*
- 5. Lamp manufacturers and to print and publish, issue and circulate such papers, periodicals, books, circulars and other papers relevant as may be seen conducive to any of these objects.*
- 6. To promote the distribution of products to all consumers throughout India by the MoA and with the object of fostering and promoting esprit de corps among the lamp manufacturers in India.*

9. It is observed that Ld. CIT(E) has doubted the activities of the assessee and stated that the appellant society is working to promote the business activity of its members, therefore, they do not reflect the charitable cause so as to provide exemption u/s 12A of the Act. The Ld. CIT(E) further observed that the appellant society has received sponsorship amount which was utilized for making payment u/s 13(1)(c) of the Act and, therefore, the genuineness of the activities as charitable are not established. We find that at the time of registration granted u/s 12A o the Act, the sole scope of CIT(E) is limited to examine the objects of the society whether

they are charitable or not. From the perusal of the objects as reproduced herein above we find that the objects of the appellant society are to represent its members in a manner which are benefited to them in order to promote their knowledge and to develop cordial relationship and to encourage co-operation between them. It is upon the assessing officer to examine and if found the activities not being carried out in accordance with the objects, he can proceed to cancel the registration granted u/s 12A of the Act. The Hon'ble Supreme Court in case of CIT vs. International Health Care Education and Research Institution (supra) has held as under:

"We may only say that mere registration under Section 12-AA automatically does not entitle any charitable trust to claim exemption under Section 10 and 11 respectively of the Act, 1961. When a return is filed by any trust claiming exemption it is for the assessing officer to look into all the materials and satisfy itself whether the exemption has been claimed genuinely or not. If the assessing officer is not convinced it is always open for him to decline grant of exemption"

10. As observed above, since inception the assessee society is carrying out similar activities of charitable in nature which fact was also accepted by the Revenue in the orders passed u/s 143(3) for Assessment Year 2013-14, 2014-15 and 2015-16 and allowed the exemption u/s 12A of the Act. Therefore, as held by Hon'ble Supreme Court in the case of Radhasoami Satsang (supra) and in Excel Industries Ltd. (supra) that principle of consistency should be followed and further by respectfully following the judgment of Hon'ble Supreme Court in the case of International Health Care Education and Research Institution (supra) wherein it is held that if the AO is not convinced with the activities of the society he can proceeded to withdraw the exemption. Under these circumstances, we set aside the order of Ld. CIT(E) and allowed the exemption u/s 12A of the Act to the appellant society as its objects are charitable in nature and if the Assessing Officer at a later stage find the activities are not carried out as per the objects of the society and further found as non-charitable

in nature, he is free to take necessary action in accordance with law. Accordingly, all the grounds of appeal taken by the appellant society are allowed.

11. In the result, the appeal of the appellant society is allowed.

Order is pronounced in the Open Court 21.01. 2026.

Sd/-

(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Dated: 21.01.2026

PK/ Sr. Ps

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI