# Commissioner of Income Tax (Exemptions) v. M/s Society for the Study of Liver Diseases

ITA-5-2020 (O&M)

ITA-5-2020 (O&M) (P&H HC, decided 18.02.2026) | 2026-02-18

**ITAT order directing grant of section 12A registration solely on unpleaded and unsubstantiated oral submissions regarding a prison hepatitis-C project (ECHO project) set aside, and matter remitted to CIT(E) to decide section 12A registration afresh after allowing parties to lead evidence.**

Income-tax Act, 1961: sections 2(15), 12A and 260A

High Court of Punjab and Haryana | 2-judge bench (Division Bench) | Deepak Sibal, J. | Lapita Banerji, J.

Assessment years: 2014-15 (FY), 2015-16 (FY)

### Financial figures differ within the original

Paragraph 3 records FY 2014-15 conference spending of Rs.22,79,078; paragraph 9 uses Rs.22,79,018. The source does not reconcile that difference or fully reconcile the stated receipts, conference expenditure and net surpluses.

## 01 FACTS OF THE CASE

The society began operating in 2014 and applied for section 12A registration on 12 February 2016. The CIT(E) rejected the application on 26 August 2016, finding mainly pharmaceutical-company donations and hotel conferences, without evidence of treatment of poor patients or other claimed charitable work. The source records FY 2014-15 receipts of Rs.35,05,000 and FY 2015-16 donations of Rs.17,26,000. The Tribunal on 8 April 2019 directed registration after considering submissions about the ECHO project: training prison medical officers, screening prisoners and distributing free liver-disease test kits in Punjab. Revenue challenged reliance on those unsupported submissions.

Source: PDF p.2

## 02 DISCUSSION BY THE HON'BLE COURT

The society admitted that no supporting ECHO-project documents had been placed before the Tribunal. The Court found no additional-evidence application and held that reversing the CIT(E) on oral submissions unsupported by pleadings or evidence was impermissible; Revenue had not received formal notice of those pleas. Later-year registration could not establish entitlement for the years in question, whose activities were relevant. Nevertheless, the claimed charitable activities and later registrations justified a fresh evidentiary decision rather than simply restoring the rejection.

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## 03 JUDICIAL DECISION

Both the Tribunal order dated 8 April 2019 and CIT(E) order dated 26 August 2016 were set aside. The matter was remitted to CIT(E) for a fresh decision on section 12A registration, considering existing evidence and any additional evidence legally brought on record by either party, within three months from receipt of a copy of the judgment.

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## 04 OUTCOME / IN WHOSE FAVOUR

Remand for fresh determination; registration was neither finally granted nor finally refused. CIT(E) must decide within three months of receipt of a copy of the judgment.

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## 05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Evidence and notice are separate requirements — The defect was not merely absence of a particular form. The Tribunal relied on charitable outreach claims without pleadings or evidence, and Revenue lacked formal notice of them. A persuasive case on remand must therefore put the claimed ECHO activities into the evidentiary record through a lawful process that permits the opposing party to respond. Silence in response to oral assertions was not treated as curing those defects.

Later registration has a limited role — Later-year registration did not prove entitlement for the earlier financial years. Yet it helped persuade the Court to reopen the evidentiary inquiry instead of merely restoring refusal. That distinction is important: later recognition supported a fresh opportunity, not automatic retrospective success. Evidence must connect the society's actual activities to the financial years under consideration.

What remains to be decided — Both competing orders are displaced, so neither the Tribunal's grant nor the CIT(E)'s refusal is the final answer. The judgment does not decide that pharmaceutical sponsorship or medical conferences necessarily destroy charitable character; the fresh decision must assess the properly admitted material. The three-month direction runs from receipt of the judgment copy, and concerns decision-making, not guaranteed registration.

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## SOURCE & VERIFICATION

Original judgment PDF (20260218_PHHC011157432019.pdf)

Reviewed from the complete 9-page official High Court judgment PDF (20260218_PHHC011157432019.pdf, SHA-256: 7dfc4d4756a06399c4c6fab20fa937ab296fc37eebe02b693587a77b574f634f).

All 9 original pages read and visually inspected; all five panels audited.

Open cited source rendition

Primary source verified page-by-page (9 physical pages, 139,813 bytes, SHA-256: 7dfc4d4756a06399c4c6fab20fa937ab296fc37eebe02b693587a77b574f634f). Cloud Google Drive File ID: 1MAwqitwbbAr-vIdl1EpsHnWQEMj8W4gx (https://drive.google.com/file/d/1MAwqitwbbAr-vIdl1EpsHnWQEMj8W4gx/view).

## STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

## LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

### AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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