

1. Registration u/s 12A cannot be denied merely upon activities of trust are extended outside India, where trust property is held wholly and exclusively under trust for charitable and religious purposes - In the present case, the objects of the trust suggest that the trust has been formed to promote art and culture of India within India and globally which fall in the definition of 'any other object of general public utility' and, hence, included in the definition of 'charitable purposes'. So far as the application of income outside India is concerned, the assessee has vehemently stressed that the projects, conferences and seminars had been carried out by the trust to promote Indian culture and art at international level, further that the activities such as to host artists-in-residence programmes for national as well as international artists for the benefit of society are the objects that promote international welfare in which India is interested. He has further stressed that the trust has received permission from the Home Ministry, Government of India, to carry out such activities outside India. Considering the overall discussion it is to be held that the activities of the trust would fall in the definition of 'charitable purposes'. However, so far as the application of income outside India, as claimed to have been applied to promote international welfare in which India is interested is concerned, it is to be proved with necessary evidences and also subject to approval of the Board for entitlement of exemption from tax on such income. However, the registration cannot be refused on the ground that the income is applied for charitable purposes outside India. Keeping in view the above submissions, the second ground on which the registration is rejected needs to be relooked by the DIT(E). If the activities otherwise are charitable and fall in the definition of 'charitable purposes' as defined under section 2(15) and property is held wholly and exclusively under trust for charitable and religious purposes as provided under section 11, then such a trust subject to the fulfilment of other conditions as laid down by the different provision of the Act, will be entitled to registration and it cannot be denied registration because of the fact that its activities are extended outside India. However, while computing the income as per the provisions of section 11, the income which is applied on such an activities in India only, will be eligible for exemption and subject to the provisions of section 11(1)(c) wherein the income applied outside India is also eligible for exemption, if the activities tend to promote the international welfare in which India is interested and the approval has been granted by the Board for such application of income. However, so far as the second ground regarding the salary received by the trustees in excess of what may be reasonably paid for such services is concerned, the matter is restored to the file of the DIT(E) for decision afresh after granting proper opportunity to the assessee trust to present its case and produce necessary evidences. **Critical Art and Media Practices v. Director of Income-tax (Exemption), Mumbai [2015] 153 ITD 664 (Mumbai - Trib.).**

- 2. Whether order of Tribunal pronounced beyond 60/90 days as prescribed in rule 34(5)(c) can be challenged in a petition under section 254(2) - Held No.** As per sub-section (5) of section 255, the Tribunal has the power to regulate its own procedure for the discharge of its functions. This Tribunal, thus, has devised its own procedure/conventions for the proper discharge of its functions. One of the conventions/procedures so as to ensure quick disposal of the cases is concerned, every month the detail of the cases pending for pronouncement beyond the period of 30 days/one month is sought through the registry by the President and the reasons for the delay, if any, are also got explained. Even, if the pronouncement of the order, for certain reasons, could not be done within the period of 90 days, there is a convention to seek the permission of the President for pronouncement of the same even after the period of 90 days. The above said conventions are being followed not under any statutory rules or regulations but because of the own devised procedure/convention of the Tribunal for the sake of quick disposal of the cases. Further, it is also the practice/convention that if the pronouncement of the matter is delayed for certain reasons for a considerable period, the matter is refixed for clarification so that the relevant points be refreshed in the memory and if so required matter can be heard afresh. This all depends upon the satisfaction of the Bench itself as to whether it is in a position to pronounce the order or that some clarifications are required or that a fresh hearing is required. Further the word 'ordinarily' as mentioned in clause (c) of rule 34(5) is sufficient to explain that the period of further 30 days beyond the period of 60 days from the date of hearing, is not the end point and in special circumstances, order can be pronounced beyond the such further period of 30 days also. **Times Guaranty Ltd. v. Assistant Commissioner of Income-tax, Circle 1 (3), Mumbai [2015] 153 ITD 655 (Mumbai - Trib.)**