

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER
AND
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

ITA Nos. 768 & 769/Bang/2024

Assessment Year : 2023-24

M/s. Margdarshan Foundation, 167, K Kamraj Road, Sivan Chetty Gardens S.O, Bangalore North, Bangalore – 560 042. PAN: AAITM1917G	Vs.	The Deputy Commissioner of Income Tax (Exemptions), Circle – 1, Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri Sudheendra .B.R, Advocate
Revenue by	:	Shri Senthil Kumar .N, CIT-DR

Date of Hearing	:	06-06-2024
Date of Pronouncement	:	27-06-2024

ORDER

PER BEENA PILLAI, JUDICIAL MEMBER

Present appeal arises out of the order passed by Ld.CIT(E) dated 14.03.2024 and 19.03.2024 for A.Ys. 2023-24 to 2027-28.

2. Brie facts of the assessee are as under:

2.1. The Ld.AR submitted that the assessee applied for registration as “Charitable institution”. However, the Ld.CIT(E)

granted exemption to assessee by holding it to be “Religious” vide order dated 14.03.2024. As a consequence of this, the 80G application of assessee dated 28.09.2023 was rejected vide order dated 19.03.2024. Against these orders the assessee preferred appeal before this *Tribunal*.

2.2. The Ld.AR submitted that the assessee trust was created on 05.09.2022. He drew out attention to page 21-27 wherein the trust deed is placed. For the sake of convenience, the objects of the trust are reproduced as under:

“5. OBJECTS OF THE TRUST

The objects of the Trust shall include the following:

(a) To protect, preserve, help, teach, impart and spread the Vedic Studies and the knowledge of VEDAS;

(b) To spread vedic education, vedic chanting and its knowledge, to encourage and teach the tradition of Vedic Chanting in India which has been declared and notified by the UNESCO (United Nations Educational, Scientific and Cultural Organization) in the Intangible Cultural Heritage List (Proclaimed in 2003 and Inscribed in 2008);

(c) To protect, preserve, teach, spread and encourage the knowledge of Indian heritage and culture contained in various Dharma Granthas, Dharma Shastras, Sutras, Shruti, Smruti, Puranas etc.;

(d) To set up, help, maintain, protect the institutions, guruk as etc engaged in vedic studies, vedic education, spreading of vedic knowledge etc.

(e) To teach, impart and encourage YOGA;

(f) To teach, impart and encourage the learning of Sanskrit;

(g) To support the Schools or Institutions having or promoting Indian Heritage Education;

(h) To financially support the deserving students, teachers and scholars involved in learning of Indian Heritage Education;

(i) To financially support the deserving students, teachers and scholars, involved in learning of Indian Heritage Education, for their modern education;

(j) To help in building the infrastructure to teach modern education to those pursuing traditional Indian Heritage education;

(k) To provide financial scholarship to those pursuing specialization on Heritage studies;

(l) To work for the cause of Heritage education, to provide financial assistance for the medical expenses of students, teachers and scholars involved in Indian Heritage Education;

(m) To give financial aid to the deserving parents sending their offspring for Heritage studies;

(n) To encourage, support and help those doing research on the meaning of Vedas for the benefit of all;

(o) To create zeal amidst students to excel and pursue deeper and wider into Heritage Education;

(p) To support education to all without any barrier of caste, creed and religion as per Indian Law;

(q) To work for National Integration, to promote universal brotherhood and to spread harmony among all sections of people of India

(r) To establish and run GOSHALAS

(s) To set up, help, maintain, protect any system, organization, institution working towards protection, preservation and improvement of Environment

(t) To set up, help, maintain, protect any system, organization, institution working towards mass marriages, helping widows, orphans, physically challenged people, organizing blood camps, medical camps, drinking water facility, relief for national calamity or disaster etc.

(u) To create employment opportunities and to help the deserving candidates in getting employment in the Indian Heritage system.

(v) To undertake any other object of general public utility”

2.3. The Ld.AR submitted that during the year 2022-23, the assessee had carried out activities towards the object of the trust by providing financial assistance for construction of house/shelter for the underprivileged people, education to the underprivileged students and assisting in performing marriage of daughters of the under privileged. He submitted that proof of all the activities during the year 2022-23 was attached and filed

before the Ld.CIT(E). HE referred to and relied on the list of expenses incurred by assessee has been placed at page 74 of the paper book along with the receipts and details regarding the payments made at pages 75 to 121 of the paper book.

2.4. The Ld.AR referred to Form 10AB(Rule 17A/11AA/2C), placed at page 32-38 of paper book being the application made to Ld.CIT(E), seeking registration/approval u/s.12A(1)(ac)(iii) filed on 26.09.2023 as “Charitable Trust”. The Ld.AR submitted that assessee was issued provisional registration u/s.12A(1)(ac)(vi) of the act on 30.11.2022, wherein, the assessee was considered as “Charitable”, placed at page 28-29 of paper book.

2.5. The Ld.AR submitted that the assessee had also filed Form 10AB (Rule 17A/11AA/2C) with the department on 26.09.2023 seeking registration u/s. 80G as a consequence of 12A application, copy of the same is placed at page 39-45 of paper book. It is submitted that the assessee was issued provisional registration u/s. 80G(5)(vi) on 30.11.2022, copy of the same is placed at page 30-31 of the paper book.

2.6. The La.AR submitted that subsequently, vide impugned order dated 14.03.2024, assessee was issued certificate of Registration as “Religious”, as a consequence of which the assessee was denied 80G vide impugned order dated 19.03.2024.

3. The Ld.AR submitted that assessee cannot be held to be religious trust as the activities carried out by the assessee is not in respect of any particular religion, community, caste, creed or any particular sect of people. He submitted that in fact for A.Y. 2022-23 the trust has carried out activities towards providing financial assistance, construction of houses / shelters for underprivileged persons, financial assistance for education of underprivileged students and financial assistance in performing of marriage of the daughters of the underprivileged families.

3.1. Placing reliance on the voluminous evidences filed in respect of the expenditure incurred towards the objects of the assessee, the Ld.AR submitted that assessee cannot be held to be carrying out religious activity. The Ld.AR vehemently argued that teaching of Vedas / yoga cannot be held to be religious activity and therefore the assessee would be eligible to be charitable institution which is eligible for 80G approval. He further submitted that, imparting of knowledge in respect of 'Vedas' would amount of imparting of knowledge / providing education.

3.2. The Ld.AR in support of relied on the following orders of the coordinate bench of this *Tribunal*, wherein identical issue was considered:

- *Decision of Coordinate Bench of this Tribunal in case of Sri Ashvalayana Vrunda vs. ITO in ITA Nos. 1084 & 1085/Bang/2022 vide order dated 04.01.2023*

- *Decision of Coordinate Bench of this Tribunal in case of Shri Shruthiparampara Gurukulam vs. ITO in ITA Nos. 1082 & 1083/Bang/2022 vide order dated 09.01.2023*

3.3. The Ld.AR also relied on following decisions in support of the argument that teaching of Vedas cannot be identified with a particular religion, cast or creed. He submitted that, 'UNESCO and the Indian Heritage Value and Education' declared 'Vedas' to be a part of intangible cultural heritage of humanity and is not confined to any particular religion or caste.

- *Umaid Charitable Trust vs. UOI reported in [2008] 307 ITR 226 (Rajasthan)*
- *TT Kuppuswamy Chettiar & Others vs. State of Tamil Nadu and others – Madras High Court – 16.06.1987*
- *Dr. Ramesh Yeshwant Prabhoo vs. Shri Prabhakar Kashinath Kunte & Others – Supreme Court of India – 11.12.1995*
- *Sri Channamallikarjuna Trust Committee Gangavathi vs. CIT (Exemptions) in ITA No. 1829/Bang/2018 by order dated 04.05.2022*
- *Shiv Mandir Devsttan Panch Committee Sanstan vs. CIT reported in (2012) 27 taxmann.com 100 (Nagpur Trib)*

4. On the contrary, the Ld.DR relied on the orders passed by Ld.CIT(E).

We have heard the rival submissions and perused the material available on record.

5. It is noted that the assessee applied for grant of registration u/s. 12AA of the act as a "Charitable" institution for establishing

and carrying on charitable activity for the benefit of underprivileged community and for the benefit of public at large promoting education performing marriages and providing shelters to the needy and underprivileged people.

5.1. Simultaneously, assessee has also submitted for recognition u/s. 80G of the act. Admittedly, section 80G only applies to charitable trust or institution and does not apply to religious trust or institution whereas the scheme of exemption u/s.12A applies to both charitable as well as religious trust. The Ld.CIT(E) was of the view that objects of the trust were for religious purposes and therefore registration was granted to the assessee as “religious trust rather than charitable trust”.

5.2. The assessee has placed materials/evidences on record to submit that, it does not discriminate on the basis of caste, creed or religion and that, the benefit of the trust is open to one and all without any bias. It is thus assessee’s submission that, the intention of the assessee was to do charitable activity. The Ld.AR placed reliance on the decision of *Nagpur Bench of this Tribunal* in case of *Shiv Mandir Devsttan Panch Committee Sanstan vs. CIT* reported in (2012) 27 taxmann.com 100 (Nagpur Trib.), placed at pages 260-267 of the paper book.

5.3. We note that the objects of the trust includes both charitable activities as well as imparting knowledge in Vedas, yoga, cultural heritage etc. The Ld.CIT(E) held assessee to be a ‘religious’ based on assumption that, by imparting knowledge in Vedas/

yoga, cultural heritage etc., the assessee is providing benefit only to a particular community. Before proceeding to decide on the issue regarding category under which the registration is granted by the Ld.CIT(E), it is imperative to mention, that, as per section 12AA, the Ld. CIT(E) has to satisfy himself about the object of the trust and genuineness of the activities of the trust. On going through the impugned order by Ld.CIT(E), it is clear, he accepts the fact that objects of the trust are charitable in nature, and in addition, the trust is also have religious objects. From the order rejecting 80G, it is further clear why the assessee was granted registration as a "Religious trust". The authorities below observed that the assessee is into promotion and teachings of Vedas, holding it to be religious in nature. However, on careful analysis of the objects of the assessee, makes it clear that neither they are for the benefit of a particular religion or community nor they are confined to particular class of people or people of a particular caste or creed. On the contrary, these object clauses certainly gives an impression that it is for the benefit of general public.

5.4. Further, we note that the objects of the trust includes both charitable activities as well as imparting knowledge in Vedas, yoga. The Ld.CIT(E) held assessee to be a 'religious' based on assumption that, by imparting knowledge in Vedas/ yoga, the assessee is providing benefit only to a particular community. We refer to the decision of *Hon'ble Supreme Court* in case of *Dawoodi Bohra Jamaat* reported in (2014) 364 ITR 31 wherein it is held

that, section 13(1)(b)(i.e. a trust existing solely for the religious purposes) requires it to establish that the charitable purposes is not for the benefit of a particular religious community or caste. That is to say, it needs to be examined whether, the activity carried on by an assessee is only benefiting a particular religious community or class or serves across the communities for the society at large. *Hon'ble Supreme Court* emphasized that the community sought to be benefitted must be either sufficiently defined or identifiable by a common quality of a public or impersonal nature.

5.5. Applying the above ratio to the facts of present case, we note that, the Ld.CIT(E) failed to observe the predominant object of the assessee that is promote the welfare of the underprivileged people without any discrimination in respect of caste, creed, religion. Before us, the Ld.AR has relied on following decisions of *Hon'ble Supreme Court/High Court*;

- *Dr. Ramesh Yeshwant Prabhoo vs. Shri Prabhakar Kashinath Kunte & Others – Supreme Court of India – 11.12.1995*
- *TT Kuppuswamy Chettiar & Others vs. State of Tamil Nadu and others –Madras High Court – 16.06.1987*

5.6. We refer to clause (c) of the objects that reads as under:
(c)To protect, preserve, teach, spread and encourage the knowledge of Indian heritage and culture contained in various Dharma Granthas, Dharma Shastras, Sutras, Shruti, Smruti, Puranas etc.;

In the above object clause, Cultural heritage can be defined as the various tact, skills, knowledge, art, object, etc., which have

cultural importance. Further, Cultural heritage is also the legacy of physical artifacts (cultural property) and intangible attributes of a group or society inherited from the past. It is a concept which offers a bridge between the past and the future with the application of particular approaches in the present.

5.7. Further, throughout India's history, religion has been an important part of the country's culture and the Indian subcontinent is the birthplace of four of the world's major religions, namely, Buddhism, Hinduism, Jainism, and Sikhism, which are collectively known as native Indian religions or Dharmic religions and represent approx. 83% of the total population of India. The clause (c) deals in depth with the culture that is embedded in various religion that forms part of Indian History. This cannot be identified with particular religion, cult, creed or sect, and therefore cannot be treated to be for the benefit of a particular religion or community.

5.8 Thus, on careful reading of the object clauses in general and specifically clauses on which the Ld.CIT(E) raised concern stating that they are for the benefit of particular religious community, the impression one gets is there is nothing in these clauses which can lead one to believe that they are for the benefit of a particular religious community, hence, coming within the mischief of section 13(1)(a) or 13(1)(b) of the Act. On the contrary, these clauses, if at all they can be called to be of religious nature, are for the benefit of general public, hence, can be considered to

be in the nature of any other object of general public utility as ingrained in the definition of 'charitable purpose' u/s 2(15) of the Act.

5.9. With the help of these decisions, the Ld.AR submitted that teaching of 'Vedas' involve imparting of knowledge and are part of intangible cultural heritage of humanity as has been declared by UNESCO. The Ld.AR also relied on the decision of *Hon'ble Rajasthan High Court* in case of *Umaid Charitable Trust vs. UOI* reported in [2008] 307 ITR 226 wherein *Hon'ble Court* has observed that,

“31..... Unless the objective of the charitable trust in question itself is for spending its income for a particular religion and it is found in the trust deed, the income tax department cannot reject the renewal of trust as charitable trust u/s. 80G of the act merely because one particular expenditure is for an activity which may be termed as spending for a particular religion.....

.....
There is no watertight compartment between different caste or sects following one particular religion. Freedom of religion is guaranteed in the Constitution of India under Article 25 of the Constitution of India. Therefore, taking such a pedantic and narrow approach, it cannot be said that character of Charitable Trust is lost if one particular expenditure is made for repair of Lord Vishnu's temple and that too by way of contribution to another trust. A perusal of the trust deed of the petitioner produced on record shows that objective of the trust was clearly charitable and was not for any particular religion even wholly or substantially.....”

5.10. We refer to the decision of *Hon'ble Supreme Court* in case of *Dawoodi Bohra Jamaat* reported in (2014) 364 ITR 31 wherein it is held that, section 13(1)(b)(i.e. a trust existing solely for the

religious purposes) requires it to establish that the charitable purposes is not for the benefit of a particular religious community or caste. That is to say, it needs to be examined whether, the activity carried on by an assessee is only benefiting a particular religious community or class or serves across the communities for the society at large. *Hon'ble Supreme Court* emphasized that the community sought to be benefitted must be either sufficiently defined or identifiable by a common quality of a public or impersonal nature.

5.11. Therefore, advancement of any object of benefit to the public or a section of the public as distinguished from benefit to an individual or a group of individual would be a charitable purpose. The expression 'any other object of general public utility' would *prima facie* include all objects which promote the well being of the general public. It cannot be said that a purpose would cease to be charitable even when public welfare is intended to be served. We refer to the decision of *Hon'ble Supreme Court* in case of *Addl. CIT v. Surat Art Silk Cloth Mafers. Association* reported in [1980] 121 ITR 1 wherein it is held that, if the primary purpose and predominant object of a trust are to promote welfare of the general public, the purpose would be charitable purpose. If the primary or predominant object of an institution is charitable, assuming that any other object which might not be charitable but which is ancillary or incidental to the dominant purpose, would not prevent the trust or institution from being a charitable trust. In the present facts of

the case, we note that none of the objects of the Trust indicate to a particular religion, sect, community, cast or creed. The trust is formed for imparting knowledge in Cultural heritage, and to carry out activities which are in the interest of general public at large. The Assessee before us provides financial assistance to the underprivileged sections of the society irrespective of a particular religion, sect, community, cast or creed.

5.12. Going by the above observation of *Hon'ble Rajasthan High Court* as well as the observation of *Hon'ble Supreme Court* referred to hereinabove, it is discernible that the word “Veda” means “knowledge” that is derived from the word “Vid” means “to know”. In the decision of *Coordinate Bench of this Tribunal* in case of *Sri Ashvalayana Vrunda vs. ITO (supra)* has discussed at length this concept as under:

“7. The word ‘Veda’ means ‘knowledge’ and is derived from the Sanskrit word ‘vid’, which means ‘to know’. The word ‘Veda’ signifies highest sacred, eternal and divine knowledge as well as the texts embodying that knowledge. The significance of the Veda is manifold. It has been universally acknowledged that the Veda is the earliest available literature of humanity. The Veda contains the highest spiritual knowledge (Para vidya) as well as the knowledge of the world (Apara vidya). Thus, apart from philosophy, we find here descriptions of various aspects of the different subjects such as sciences, medicine, political science, psychology, agriculture, poetry, art, music etc. The Veda is unique in its purity and sanctity. The text of the Veda is preserved in its pure and original form without any alteration or interpolation even after thousands of years. The Veda is the unadulterated treasure house of true knowledge. So much so that even UNESCO declared it as part of the Intangible cultural heritage of humanity. Despite being oldest, the Vedas have been preserved in their true form up till now. Even Max Muller, a renowned European scholar, has admitted that,

the text of the Vedas has been handed down to us with such accuracy and care that there is hardly any change in the words, or there is any uncertain aspect in the whole of Vedas. The credit for this goes to Vedic seers (Rishis) who devised means of protecting and preserving the text of Vedas letter by letter, with all their accessories. Vedic mantras have accents (Swara) which preserve its original form of word- construction.”

5.13. We note that, the Ld.CIT(E) granted assessee the status of religious trust for the reason that the objects of the trust include imparting of knowledge of Veda/Yoga. Nothing has been pointed out in the impugned orders that the assessee was spending money for a particular religion. It is further noted that, the assessee has carried out other charitable activity in the nature of relief to underprivileged people, irrespective of their caste, creed or religion. All the expenses were met out of voluntary contributions or donations. The audited financials for the year ending March, 2023 is placed at pages 49-50 which clearly reveals that the expenses are incurred in achieving the objects of the trust like construction for underprivileged families, education for underprivileged children, wedding expenses for underprivileged daughters (evidences like invoices, receipts etc. in pages 75-121) demonstrates that the activities carried on by the assessee irrespective of caste, creed, religion and community.

6. Thus in our opinion, the activities of the assessee are “Charitable” in nature of providing education, relief to the underprivileged to general public at large. Therefore respectfully following the decisions of *Coordinate Bench of this Tribunal in case of Sri Ashvalayana Vrunda vs. ITO (supra) Shri*

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Shruthiparampara Gurukulam vs. ITO(supra), we direct the Ld.CIT(E) to grant the registration to the assessee u/s.12A as “Charitable trust”. Consequently, the approval u/s.80G of the act is to be granted.

Accordingly, the grounds raised by assessee in both the appeals stands allowed.

In the result, both the appeals filed by assessee stands allowed.

Order pronounced in the open court on 27th June, 2024.

Sd/-
(LAXMI PRASAD SAHU)
Accountant Member

Sd/-
(BEENA PILLAI)
Judicial Member

Bangalore,
Dated, the 27th June, 2024.
/MS /

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| 1. Appellant | 2. Respondent |
| 3. CIT | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A) |

By order

Assistant Registrar,
ITAT, Bangalore