

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

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No. 661/Bang/2024
Assessment Year : 2024-25

M/s. Shri Purushottama Narasimha Bharati Sanatana Sabha, At: Nelemav, Post: Herur, Siddapur Taluk, Uttara Kannada – 581 450. PAN: AALNTS5798Q	vs.	The Income Tax Officer (Exemptions), Ward – 1, Hubli.
APPELLANT		RESPONDENT

Assessee by	:	Shri Prakash Hedge, CA
Revenue by	:	Shri V. Parithivel, JCIT-DR

Date of Hearing	:	15-05-2024
Date of Pronouncement	:	24-06-2024

ORDER

Per: Keshav Dubey, Judicial Member

This appeal at the instance of the assessee is directed against the CIT(E), Bangalore order dated 27.01.2024 passed u/s. 12AB(1)(b) of the I.Tax Act, 1961.

2. The assessee has raised the following grounds.

“The Grounds mentioned hereinafter are without prejudice to one another.

1. That the learned Commissioner of Income Tax (Exemptions) [‘CIT(E)'] erred on facts and circumstances of the case and in law by registering the Appellant under section 12AB(1)(b) of the Income Tax Act (‘the Act’) as a ‘Religious Trust’ though the same should have been registered as a ‘Charitable Trust’.

That the Appellant craves leave to add to and/or to alter, amend, rescind, modify, the grounds herein above or produce further documents before or at the time of the hearing of this appeal.”

3. We find that there is a delay of 16 days in filing the appeal before this Tribunal. Though the assessee not mentioned the delay in its form no. 36 properly, the assessee has explained the delay by way of condonation petition stating that the appellant trust is located in a remote village in Uttara Kannada District in Karnataka and the trustees are also resident of that village. The electricity connection, mobile and the internet connection in this village are not reliable. The order of the CIT(E) was communicated to the appellant through email. However, the appellant did not notice the communication received in the email. Therefore the appellant was unaware of the order passed by the CIT(E) and for this reason it could not take any action to file an appeal within the stipulated time limit. The appellant could learnt about the order of the CIT(E) on 30.03.2024 from its representative who had checked the income tax portal on that day and came to know about the same. Immediately, thereafter, the appellant took the necessary steps to file the instant appeal. Due to above mentioned reason, there has been a delay of about 16 days i.e. from 27.03.2024 to 12.04.2024 in filing the Appeal before the Tribunal. We have carefully gone through the condonation petition filed by the assessee trust, we find good and

sufficient reason in filing the appeal belatedly before this Tribunal. Accordingly, in the interest of justice & fair play, we condone the delay of 16 days in filing the appeal and admit the appeal for the adjudication.

4. Now coming to brief facts of the case is that the assessee trust was granted provisional registration vide no. AALTS5798QE20206 under 02-Sub clause (vi) of clause (ac) of sub-section (1) of section 12A dated 27.05.2021 from A.Y. 2021-22 to 2023-24. Thereafter, the assessee trust had applied for registration under sub-clause (3) of clause (ac) of sub-section (1) of section 12A on 31.08.2023 by stating the object of the applicant as “education”.

5. The Ld. CIT(E) thereafter passed the order for registration in form no. 10AD on 27.01.2024 u/s. 12AB(1)(b) of the IT Act, 1961 granting registration / approval from A.Ys. 2021-22 to 2025-26 treating the **trust as religious trust** and not as charitable trust. Being aggrieved with the order of Ld.CIT(E) granting the registration of trust as religious trust, the assessee trust has preferred an appeal before the Tribunal. The assessee has filed paper book containing 41 pages enclosing therein the copies of the trust deed dated 24.04.2012, activity report, audit report and financial statements for the F.Y. 2020-21, 2021-22 and 2022-23, order for provisional registration in form 10AC, application for approval in form 10AB.

6. The solitary issue that is raised before us is whether the Authorities below are justified in treating the trust as religious trust inspite of the fact that the trust had applied for registration under the limb of “education” (charitable).

7. Before us the Ld.AR of the Assessee vehemently submitted that LD CIT(E) erred in fact & in law in granting registration as Religious Trust though the same should have been registered as a Charitable Trust imparting education. He also placed reliance on the order of the ITAT Bangalore Bench “C” reported in 150 taxmann.com 125 in the case of Shruthiparampara Gurukulam vs. ITO in which under the similar facts and circumstances, the Tribunal held that the activity of the trust are charitable in the nature of education, relief of poor and not religious as concluded by the Ld.CIT(E) and accordingly, the impugned findings of the Ld.CIT(E) that the assessee trust is registered as religious was quashed and the assessee was allowed registration u/s. 12A of the act as charitable trust. The Ld.DR on the other hand, supported the orders of the Ld.CIT(E) and vehemently submits that the assessee is engaged in a religious activity of teaching Vedas, a Hindu religious scripture and hence the whole purpose of the trust is of religious nature.

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

8. In the present case, the Ld.CIT(E) has held that assessee is engaged in religious activity of teaching / promoting Vedas, Indian heritage culture and hence the whole purpose of the trust

is of religious nature and therefore concluded that the appellant is religious trust and not a charitable trust ("education"). On verifying the trust deed dated 24.04.2012 as well as the activity report (pgs. 1 to 21 of the paper book) placed before us, we find that as per clause no. 4 of the rules and regulations of the trust (Page-6 of the Trust deed), it is clearly mentioned that the benefits of this trust shall open to all irrespective of caste, creed, or religion. On verification of the Activity Report of the trust we find that the Trust is also striving for all round development of all sections of the society and trying to create a good theistic feeling for the whole society without believing in visible development only. The trust was also engaged in prevention of corona disease, yogas, establishing a school (gurukulam) for education, cow husbandry, giving free meals, snacks, clothes, books etc. in the school, celebrating national festivals like Independence Day, Republic Day, Gandhi Jayanti, Yoga Day, Valmiki Jayanti, Ambedkar Jayanti etc. in the school. Apart from above the Vedic camp were also organized to teach veda, yoga, general knowledge free of cost. The object of the trust as stated in Rules and Regulations no. 3 are not solely for the advancement, support or propagation of a religion and its tenets. The objects of the trust are at para 3 of the Trust Deed and the same is reproduced hereunder: -

"i. To promote Vedas Indian Heritage culture:

To start, establish, run or to do any or all of the following to preserve, promote and propagate the traditional style and purity of various Vedic learning centers, training rituals, and recitations as per the traditional method and style.

a) *Veda Pathashalas and Vedic Rituals training centers, Vedic research centers, libraries on the Vedas and the Vedic rituals, publication of periodicals, books etc. on no profit or no loss basis to promote the achievements in research and other activities in the field of Vedic and spiritual knowledge in the name of the trust.*

b) *Establish museums, documentation centers and audio video including use of information technology networks and distributions.*

ii. a) *Workshops, seminars, demonstrations, lectures, competitions etc felicitation of the Vedic scholars, Experts, Critics etc. to do any incidental or necessary activity which is essential to achieve any or all of the above objects.*

b) *To establish, spiritual schools and to teach and training the student and also the public who qualifies the basic knowledge of Vedas in order to live and let live peaceful life among the cross section of the public in general and the residents in particular.*

iii) a) *To promote the knowledge of Vedas Vedic culture and allied subjects and to conduct classes and courses in Vedic and allied subjects independently or in association with other institutions as and when the trust decides.*

b) *To arrange /conduct refresher courses for faculty to conduct, organize, assist and arrange seminars, conferences, symposiums, lectures, workshops and executions on relevant topics and subjects of general and Academic interest in Vedas and Spiritual knowledge.*

c) *To print, publish or release books, journals, periodicals, magazine and other educational related materials to arrange for study/lecture trips among the members, and also for the poor eligible students of academic scholars including students scholarships / study grants and providing free distribution of school books and necessary tools in the name of trust.*

d) *To start and operate the similar branch/branches at any other state or country and also to become affiliate member of similar organizations or associations of national or international levels.*

- e) *To institute studentship, scholarship. Stipends, awards medal prizes etc to help and encourage deserving students and providing monetary aid to students and teachers for pursuing their educations and higher educations in Vedas and Sanskrit language.*
- f) *To establish, maintain, run develop, improve, extend, grant, donate for and to aid in the establishments, maintenance, improvement and to extension of schools, colleges, meditation and teaching centre and other educational institutions etc. to conduct/ run classes.*
- g) *To start, run and maintain libraries, book banks, and reading rooms for the benefit of members and public and safe keeping the traditional Vedic books for the coming generation.*
- h) *To take all steps necessary for the welfare and advancement of the needs of the society in the matters of economic, educational, social and cultural aspects to uplift the basic status of the poor.*
- i) *To establish research centers for study of ancient works, literature and other materials available in India and Abroad in the matter of Spirituality.*
- j) *To approach respective government and/or its departments for grant of funds and land for the trust to carry out these objects of the trust.*
- k) *To render guidance for the companies, organizations, firms or other institutions for their growth and in selection of personnel and teach and train them the socio harmony to live in peace and let live others to policy etc.*
- l) *To conduct programmes through sub-committees appointed as and when required for promoting national unity and integrity through language and culture.*
- m) *To raise funds, donations, contributions, sponsorships etc in furtherance to the objects of associations and obtain exemptions thereof from the Income Tax department and the Government.*
- n) *The trustees hereby declared that the trust funds and income thereof shall be held only by the trust and utilized for all or any of the trust purpose only.*

o) To perform all or any other activities ancillary to the objects of this trust.

p) To open account in any banks or any co-operative institutions.

q) To engage in other activities as may be necessary for the fulfilment of the objectives of the Trust as may be decided by the Committee from time to time.”

9. It is not in dispute that the beneficiary of the trust are members of the general public irrespective of race, religion, caste, community, creed or gender. Merely one of the objects and purposes of the assessee are to promote Vedas Indian Heritage culture the trust cannot be said to exist exclusively for the benefit of a particular religious community. We are of the opinion that under similar facts and circumstances in ITAT Bangalore Bench in the case of *Shruthiparampara Gurukulam v. ITO* [2023] 150 taxmann.com 125 (Bang-Trib) held as under: -

12. We have carefully considered the rival submissions. It is not in dispute that the beneficiaries of the assessee-trust are members of general public irrespective of race, religion, caste, community, creed or gender (refer para 2.1 of the trust deed). 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 (Svara) which preserve its original form of word- construction. It cannot be said that Vedas are confined to a particular set of people or people belonging to a particular religion. It is for spiritual upliftment of mankind.

13. After the formation of the Trust, the assessee conducted various workshop to disseminate the knowledge of Vedas. General public irrespective of caste, creed, gender or "religion were invited to witness the said events and to know the significance and importance of Vedas. The Vedic Scholars were identified and felicitated irrespective of their caste, creed or religion. The assessee-trust has given financial assistance to various people, irrespective of caste, creed or religion, involved in Indian Heritage Education. Trust conducts teaching of Vedas by various scholars to students, working people, retired persons etc. irrespective of caste, creed, religion. The trust has conducted the vedic classes by going to the houses of all interested people irrespective of caste, creed, gender or religion and has taught them the importance of Vedas. During Covid, the trust provided financial assistance to the poor Vedic scholars and distributed food kit, cloths, medicines for the needy. All the expenses to carry out the above charitable objectives are met out of donations received. No fees or honorarium or money is charged by the trust or by any Trustees for conducting the vedic classes, chanting or for any programmes. All trustees work selflessly for achieving the charitable objects of the Trust.

14. Explanation 3 to section 80G states that "charitable purpose" does not include any purpose the whole or substantially the whole of which is of a religious nature. In the present case, the learned CIT(E) has held that the assessee is engaged in a religious activity of teaching Vedas, a Hindu religious scripture, to Hindu students and hence the whole purpose of the trust is of religious nature as per Explanation 3 to section 80G. It is therefore concluded that the assessee Trust is not eligible for approval under section 80G. In coming to the above conclusion, the learned CIT(E) has relied on certain judicial pronouncement, which we shall deal later. It is settled principle that Hinduism is a way of life and not a religion. The Hon'ble Madras High Court in *TT Kuppaswamy Chettiar and others v State of Tamil Nadu* (1987) 100 LW 1031 held as under:-

*"The word 'Hindu' itself has not been defined in any of the texts, nor in any of the judge made laws. The definition of a 'Hindu' is also not available in the ancient texts. Even the renowned author of the Hindu Law, viz., Mulla has not defined the word 'Hindu'. According to the Concise Oxford Dictionary, 'Hindu' means adherent of Hinduism; whereas the Chambers Dictionary defines 'Hindu' as a member of any of the races of Hindustan or India, a believer in a form of Brahmanism. A perusal of the history shows that the name 'Hindu' was given by the British authorities while dispensing justice with reference to the inheritance, partition, marriage and other personal laws of the inhabitants of this nation who are not Muslims, Christians, Buddhists, Jains. The British Administrators sought the help of the local English knowing Sanskrit pundits who quoted widely the Vedas and Smritis (collection of precepts handed over by Rishis or sages of antiquity in Sanskrit).
.....*

A study of the Sanskrit texts in English and the law administered in pursuance of thereof clearly shows that there is no religion by the name 'Hindu'. The word 'Hindu' covers various sects such as If one comprehends the aforesaid facts it will be very difficult to find a Hindu religion having a common faith, and a common founder because Hindu religion takes within its fold not only the

four classes of persons viz., Brahmins, Kshatriyas, Vaisyas and Sudras, but also other religions viz., Sikhs, Jains and Buddhists. I am unable to comprehend as to how one religion can have several religions within its fold. It only shows that the so called Hindu religion has been coined for convenience.”

15. The Constitution Bench of the Supreme Court in Dr Ramesh Yeshwant Prabhoo Vs. Shri Prabhakar Kashinath Kunte and Others 1996 AIR 1113 referring to various constitution bench decisions, Encyclopedia of Religion and Ethics, Dictionaries, Encyclopaedia Britannica and Treatise, had held as under.

“These Constitution Bench decisions, after a detailed discussion, indicate that no precise meaning can be ascribed to the terms ‘Hindu’, ‘Hindutva’ and ‘Hinduism’; and no meaning in the abstract can confine it to the narrow limits of religion ITA Nos.1082, 1083/Bang/2022 Page 12 of 23 alone, excluding the content of Indian culture and heritage. It is also indicated that the term ‘Hindutva’ is related more to the way of life of the people in the sub- continent. It is difficult to appreciate how in the face of these decisions the term ‘Hindutva’ or ‘Hinduism’ per se, in the abstract, can be assumed to mean and be equated with narrow fundamentalist Hindu religious bigotry, or be construed to fall within the prohibition in sub-sections (3) and/ or (3A) of Section 123 of the R.P. Act.”

Ordinarily, Hindutva is understood as a way of life or a state of mind and it is not to be equated with, or understood as religious Hindu fundamentalism.

“Thus, it cannot be doubted, particularly in view of the Constitution Bench decisions of this Court that the words ‘Hinduism’ or ‘Hindutva’ are not necessarily to be understood and construed narrowly, confined only to the strict Hindu religious practices unrelated to the culture and ethos of the people of India, depicting the way of life of the Indian people. Unless the context of a speech indicates a contrary meaning or use, in the abstract these terms are indicative more of a way of life of the Indian people and are not confined merely to describe persons practising the Hindu religion as a faith. Considering the terms

'Hinduism' or 'Hindutva' per se as depicting hostility, enmity or intolerance towards other religious faiths or professing communalism, proceeds from an improper appreciation and perception of the true meaning of these expressions emerging from the detailed discussion in earlier authorities of this Court."

16. *The Hon'ble Allahabad High Court in CIT Vs. Sri Radha Raman Niwas Trust [2014] 42 taxmann.com 77 affirmed the findings of the Tribunal, which held that to carry sewa puja of Sri Giridhari Ji and carry Akhand Naam Sankirtan uninterruptedly in Aashram is one type of meditation and yoga and is a charitable activity under section 2(15) of the I.T.Act. The High Court held that unless it was proved that the above activities was for any particular community or group of persons, it cannot be a ground to reject the registration u/s 12A and approval u/s 80G of the I.T.Act.*

17. *The Tribunal in Shiv Mandir Devsttan Panch Committee Sanstan Vs. CIT [2012] 27 taxmann.com 100 (Nagpur Trib) referring to the above decisions held that worship of Lord Shiva, Hanumanji, Goddess Durga and maintaining of temple cannot be regarded as for the advancement support or propagation of a particular religion and granted the approval under section 80G of the I.T.Act. In the case of M/s. Shiv Mandir Devasttan Panch Committee Sanstan (supra) The assessee trust was set up with the object of "worship of Lord Shiva, Hanumanji, Goddess Durga and maintaining of temple" and "to celebrate festivals like Shivratri, Hanuman Jayanti, Ganesh Uttasav, Makar Sankranti". It applied for a certificate under section 80G. S. 80G (5) provides that the trust should be established for a "charitable purpose". Explanation 3 to s. 80G provides that "charitable purpose" does not include a purpose which is of a "religious nature". S. 80G(5)(iii) also stipulates that the trust should not be expressed to be for the benefit of any particular religious community or caste. The CIT rejected the application on the ground that the assessee was set up for "religious" purposes. On appeal by the assessee to the Tribunal, the Tribunal held reversing the order of CIT that the objects of the assessee are not for advancement, support or*

propagation of a particular religion. Worshipping Lord Shiva, Hanumanji, Goddess Durga and maintaining the temple is not advancement, support or propagation of a particular religion. Lord Shiva, Hanumanji & Goddess Durga do not represent any particular religion. They are merely regarded to be the super power of the universe. Further, there is no religion like "Hinduism". The word "Hindu" is not defined in any of the texts nor ITA Nos.1082, 1083/Bang/2022 Page 14 of 23 in judge made law. The word was given by British administrators to inhabitants of India, who were not Christians, Muslims, Parsis or Jews. Hinduism is a way of life. It consists of a number of communities having different gods who are being worshipped in a different manner, different rituals, different ethical codes. The worship of God is not essential for a person who has adopted Hinduism way of life. Therefore, expenses incurred for worshipping of Lord Shiva, Hanuman, Goddess Durga and for maintenance of temple cannot be regarded to be for religious purpose. In holding so, the Tribunal referred to the decisions in the case of Commissioner of Hindu Religious and Charitable Endowments Vs. Sri Lakshmindra Thirtha Swamiar 1954 SCJ 335 & T. T. Kuppaswamy Chettiar Vs. State of Tamil Nadu (1987) 100 LW 1031.

18. The ITAT Bangalore bench in M/s Sri Channamallikarjuna Trust Committee Gangavathi (*supra*) explained the difference between charitable purpose and religious purpose and held as under:-

*"13. In sections 11, 12 & 13, a distinction has been drawn between 'charitable purpose' and 'religious purposes', but there is no definition of the term 'religious purpose' in the Act. Generally interpreted, it would encompass within its fold all institutions or funds, which are for the advancement, support or propagation of a religion and its tenets. How religion is to be understood in the context of the Act, has been examined in the case of Dawoodi Bhora Jamat (*supra*). If the benefit of religious endowments too ensures for the benefit of the public, then the religious trusts/endowments too will be entitled to the exemption provided by section 11 of the Act. A religious trust could be 'public' or 'private'. Section 13(1)(a) bars exemption to any*

private religious trust, which does not enure for the benefit of the public. Section 80G(5)(iii) makes a distinction in cases of institutions or funds, which are for the benefit of any particular religious community or caste - say for Hindus, Muslims, Christians or for Brahmins, etc. Donors to such trusts are debarred from claiming benefit of deduction from income for donations made to such trusts. Conversely, it follows that for donations made to religious bodies, which do not fall in the category mentioned in section 80G(5)(iii), benefit of deduction under section 80G can be claimed. Thus, it could be said that a public religious trust, not meant for the benefit of a particular community, caste or section, will be entitled to claim exemption on its income in the same way as a public charitable trust.

15. We are of the view that the objects and purposes of the Assessee are both charitable and religious, the Assessee does not exist exclusively for the benefit of a particular religious community. The objects do not channel the benefits to any community and thus, would not fall as an institution existing solely for religious purpose. In that view of the matter, we are of the view that the Assessee is a charitable and religious trust which does not benefit any specific religious community and therefore, it cannot be held that it exists solely for religious purpose. It cannot be characterised as religious object especially when it does not make a distinction between caste, creed, race, religion, etc.

16. In the light of the aforesaid discussion, we are satisfied that the plea of the Assessee to recognize it as existing for "Charitable Purpose" deserves to be accepted and is accepted. We accordingly allow the plea of the Assessee and direct that the registration be allowed treating the Assessee as existing for "Charitable purpose".

19. In Vaidik Bhakti Sadan Asram (supra), the Tribunal held that propagation of vedic thoughts and philosophy cannot be attributed to any religion as the same are more concerned with the lifestyle of the human beings. The relevant observations are as under:-

“9. A perusal of the impugned order of the learned Commissioner of Income-tax shows that the renewal of registration under section 80G was denied by him to the assessee-trust mainly on three grounds which have already been enumerated by us while narrating the facts of the case in the foregoing portion of this order. At the time, of hearing before us, learned counsel for the assessee has made elaborate submissions to meet all these objections raised by the learned Commissioner of Income-tax while denying exemption to the assessee under section 80G. As rightly pointed out by him, the objects and activities of the assessee-trust relating to propagation of vedic thoughts and philosophy cannot be attributed to any religion as the same are more concerned with the lifestyle of the human beings across the different religions and countries. It gets corroborated from the fact that yoga and self-meditation are being exercised and followed throughout the world by sections of people from different religions and different countries. These activities are thus not confined or attributed to any particular religion and the same, therefore, cannot be regarded as wholly or substantially of a religious nature. Moreover, as per the trust-deed, neither the trust nor its funds were expressed to be for the benefit of any particular religious community and as further pointed out by learned counsel for the assessee and remained uncontroverted by the learned Departmental representative, not even a single rupee was spent by the assessee-trust on religious activity.”

10. In the light of the aforesaid discussion and relying on the decision of the coordinate ITAT Bangalore “C” Bench order passed in the case of Shruthiparampara Gurukulam vs. ITO (supra), we accordingly allow the plea of the assessee and direct that the registration be allowed treating the assessee as existing for charitable purpose as claimed by the Assessee Trust.

11. In the result, the appeal filed by the assessee trust is allowed.

Order pronounced in the open court on 24th June, 2024.

Sd/-
(CHANDRA POOJARI)
Accountant Member

Sd/-
(KESHAV DUBEY)
Judicial Member

Bangalore,
Dated, the 24th June, 2024.
/MS /

Copy to:

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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