

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
CHANDIGARH BENCH, 'B', CHANDIGARH

**BEFORE SHRI A.D. JAIN, VICE PRESIDENT &
SHRI KRINWANT SAHAY, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA No. **442/CHD/2024**

निर्धारण वर्ष / Assessment Year : 2017-18

Shri S.S. Jain Sabha, S.S.Jain Sabha Samadhi, Tohana Haryana 125120	Vs. बनाम	The ACIT Exemption, Chandigarh
स्थायी लेखा सं./PAN No: AACTS1019B		
अपीलार्थी/ APPELLANT		प्रत्यर्थी/ RESPONDENT

(PHYSICAL HEARING)

निर्धारिती की ओर से/Assessee by : Shri Shaantanu Jain, Advocate and
Shri Gurjit Singh, CA

राजस्व की ओर से/ Revenue by : Dr. Ranjit Kaur, Sr. DR

सुनवाई की तारीख/Date of Hearing : 25.09.2024

उद्घोषणा की तारीख/Date of Pronouncement : 28.10.2024

आदेश/Order

Per Krinwant Sahay, A.M.:

The appeal in this case has been filed by the Assessee against the order dated 16.12.2019 of the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi.

2. Grounds of appeal taken by the Assessee are as under: -

1. *Because the action for initiation, continuation and conclusion of assessment proceedings u/s 143(3) at an amount of Rs 1,30,39,590/- is being challenged on facts and law.*
2. *Because the action is being challenged on facts and law for making addition of Rs. 1,30,39,590/- denying exemption u/s 11 and 12 when admittedly the assessee got registration~TJ7s 12AA on dt. 21.08.2000 and there is no amendment to objects of society since then.*
3. *Because the action is being challenged on facts and law for making addition of Rs. 1,30,39,590/- denying exemption u/s 11 and 12 as assessee violated charitable activities u/s 13(l)(a) whereas per assessee the main objects of assessee is charitable i.e. running and maintaining hospital.*
4. *Because the action is being challenged on facts and law for making addition of Rs. 1,30,39,590/- denying exemption u/s 11 and 12 as assessee violated charitable activities u/s 13(1)(a) whereas per assessee the object to publicize the Jainism is not a religious activity which violate section 13(l)(a).*
5. *For any consequential relief and/or legal claim arising out of this appeal and for any addition, deletion, amendment and modification in the grounds of appeal before the disposal of the same in the interest of substantial justice to the assessee to the Assessee.*

3. The main ground of appeal is against the addition of Rs. 1,30,39,590/- made by the Assessing Officer, its confirmation by the

CIT(A) denying exemption u/s 11 & 12 of the Income Tax Act, 1961 (in short 'the Act') when admittedly the Assessee got registration u/s 12AA of the Act on 21.8.2000 and there was no amendment to the objectives of the Assessee's Sabha.

3. Brief facts of the case as per the order of the CIT(A) are as under:

1. During the proceedings before us, the Ld. Counsel of the Assessee emphasized on the fact that the main objective of S.S. Jain Sabha was to provide:

1. Medical relief to poor and general public at large
2. Establish, manage and help Dispensaries, Hospitals, Diagnostic centres, clinics and such other institutions for treatment in any branch of medicine.
3. Arrange to abolish other social evil
4. Publicize the Jain Religion
5. Expand the religions, Mental and Physical education.
At present the SABHA is mainly engaged in managing, expanding and running the hospital in the name of Shri Faqir Chand Ji Maharaj Charitable (Jain Samadhi) Eye and General Hospital, Tohana. The Hospital is having the facilities of Doctors Consultation (OPD), Indoor Patient (IPD), Diagnostics, Chemist (Medicine store), Clinical Laboratories etc. and all such facilities are available to the society at low/subsidized rates. The SABHA

also from time to time organize free health medical camps especially for Eye checkups and treatments including consultations and operations for poor, needy and general public. Assessee filed return of Income on dt. 06.10.2017 at Nil income and the same was processed under section 143(1). Later on, the case was selected for scrutiny through CASS. Notice under section 143(2) of the Act was issued on dt. 11.08.2018 by the Income Tax Officer (Exemptions), Ward Rohtak. Later on, notices u/s 142(1) were issued time to time which were complied by filing submissions through e-proceeding facility by assessee. AO denied benefit of exemption u/s 11 and 12 and assessment of the assessee is completed in the status of AOP.

4. The Counsel of the Assessee argued in detail that the Sabha is primarily a charitable institution working in the filed of medical relief to the poor people without making any distinction on the basis of caste and religion. The Counsel also argued that the findings given by the lower authorities that the S.S. Jain Sabha (Sabha) was mainly engaged in propagating the Jain religion is not correct because it is just an offshoot of the purpose of the Sabha and that too for expanding the religious, mental, and physical education. The Counsel emphasized that the Sabha is mainly engaged in managing expenditure and running the hospital in the name of Shri Fakir

Chand Ji Maharaj Charitable Eye & General Hospital, Tohana. It was also brought on record that the hospital is having the facilities of doctors, consultation (OPD), Indoor patient (IPD), Diagnostics, Chemist / Medical Store and Clinical labs etc. and it was categorically stated by the Counsel that while giving the medical treatment to poor and needy people, absolutely no distinction is being made on the basis of caste and creed religion etc. therefore, the findings given by the lower authorities that the Sabha was engaged in propagating the Jain religion was not correct.

5. The ld. DR relied on the order of the CIT(A).

7. We have considered the findings given by the A.O. and the ld. CIT(A) and we have also considered the arguments made by the ld. Counsel for the Assessee in the proceedings before us. We find that the Revenue could not bring anything on record to rebut the arguments of the Counsel of the Assessee that the charitable hospital in the name of Shri Faquir Chand ji Maharaj Charitable Eye & General Hospital was engaged in the work of providing medical consultation and facilities to needy people without making any distinction of caste or religion. Therefore, the findings given by the authorities below cannot be accepted, which have not been proved

beyond doubt. Accordingly, Assessee's appeal challenging the addition of Rs. 1,30,39,590/- denying exemption u/s 11 & 12 of the Act by the Assessing Officer and its sustenance / confirmation by the Id. CIT(A) cannot be accepted. Accordingly, Assessee's appeal on this issue stands allowed.

8. In the result, appeal is allowed.

Order pronounced on 28.10.2024.

Sd/-
(A. D. JAIN)
Vice President

Sd/-
(KRINWANT SAHAY)
Accountant Member

“आर.के.”

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
5. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar