

**IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT**  
**BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER AND**  
**SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**  
**आयकर अपील सं./ITA Nos.1076 & 1077/SRT/2024**  
**(Physical Hearing)**

SVNIT Alumni Association Surat Chapter, SVNIT Campus, Ichchanath Dumas Road, Surat – 395007, Gujarat	<b>Vs.</b>	The CIT(Exemption), Ahmedabad
<b>स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AABHTS3472N</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

<b>Appellant by</b>	Shri P. M. Jagasheth, CA
<b>Respondent by</b>	Shri Ravi Kant Gupta, CIT(DR)
<b>Date of Hearing</b>	19/02/2025
<b>Date of Pronouncement</b>	20/02/2025

**आदेश / ORDER**

**PER BIJAYANANDA PRUSETH, AM:**

These two appeals emanate from the order dated 29.09.2024 passed by the learned Commissioner of Income-tax (Exemption), Ahmedabad [in short “the CIT(E)”], wherein CIT(E) rejected assessee’s application filed in Form No.10AB u/s 12A(1)(ac)(iii) of the Income-tax Act (for short ‘the Act’) and also cancelled the provisional registration. The CIT(E) also rejected application for registration u/s 80G(5)(iii) of the Act.

2. The grounds of appeal raised by the assessee in ITA No.1076/SRT/2024 are as follows:

*“1. On the facts and circumstances of the case as well as law on the subject, the learned Commissioner of Income Tax (Exemption), Ahmedabad has erred in rejecting Application for registration u/s 12A(1)(ac)(iii) of the Income Tax*

Act, 1961 and the provisional approval u/s 12A(1)(ac)(iii) of the Act granted earlier has also been cancelled.

2. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Exemption), Ahmedabad has erred in not granting adequate opportunity of hear and passed the order, hence, the principal of natural justice is not abide.

3. On the facts and in the circumstances of the case as well as law on the subject, the appellant Trust is qualifying for registration u/s 12A(1)(ac)(iii) of the Income Tax Act, 1961.

4. It is therefore prayed that the CIT(Exemption) should be directed passed u/s 12A(1)(ac)(iii) of the Income Tax Act, may please be set aside to the file of the CIT(Exemption) with appropriate direction.

5. Appellant craves leave to add, alter or delete any ground(s) either before of in the course of the hearing of the appeal.”

3. The grounds of appeal raised by the assessee in ITA No.1077/SRT/2024 are as follows:

“1. On the facts and circumstances of the case as well as law on the subject, the learned Commissioner of Income Tax (Exemption), Ahmedabad has erred in rejecting Application for registration u/s 80G(5)(iii) of the Income Tax Act, 1961.

2. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Exemption), Ahmedabad has erred in not granting adequate opportunity of hear and passed the order, hence, the principal of natural justice is not abide.

3. On the facts and in the circumstances of the case as well as law on the subject, the appellant Trust is qualifying for registration u/s 80G(5)(iii) of the Income Tax Act, 1961.

4. It is therefore prayed that the CIT(Exemption) should be directed passed u/s 80G of the Income Tax Act, may please be set aside to the file of the CIT(Exemption) with appropriate direction.

5. Appellant craves leave to add, alter or delete any ground(s) either before of in the course of the hearing of the appeal.”

4. The fact of the case in brief are that the assessee filed an application for registration/incorporation in Form No.10AB u/s 12A(1)(ac)(iii) of the Act on

29.03.2024. The assessee-trust had been granted order of provisional approval in Form No.10AC on 27.09.2023 under sub-clause (vi) of clause (ac) of sub-section (1) of section 12A of the Act for the period commencing from AY.2024-25. In respect of the application filed by the assessee-trust in Form No.10AB, the assessee-trust was asked by CIT(E) to file details and documents vide notice dated 03.07.2024 and 09.09.2024. In response to the said notices, the assessee filed part details. On perusal of details and objectives of the applicant as mentioned in the Memorandum of Association (MoA), it was found that the objectives/objects of the applicant are for the benefit of the member of trust, i.e., past and former students of SVNIT. Hence, show cause notice was issued by the CIT(E) on 09.09.2024, which is at para 6.2 of the order. Reply of appellant is a para 6.3 of the order. The appellant submitted the main aims and objects of the association shall be to take measures, do all acts, deeds and things to improve and maintain the social, economic, physical and moral, cultural life and upliftment of general public without any discrimination. The trust is encouraging poor students in tribal area regularly. The CIT(E) did not find reply of the assessee as acceptable. He observed that the trust has been formed as association to protect the interest and welfare of its member, which can hardly be considered as charitable in nature, particularly when essence of altruism is absent for the same. He held that the objects are not for the benefit of public at large. The object is related to mutually beneficial activities for the upliftment of the career of each member of the association. The

members of the Alumni Association are also office bearer of the association. The other objects of the association are also for the benefit of members and not for the benefit of public at large. In view of the objects in MoA, the CIT(E) was of the opinion that objects are not for general public utility and are not for charitable purposes as defined u/s 2(15) of the Act. Hence, assessee was not eligible for registration u/s 12A of the Act. Therefore, application filed in Form No.10AB u/s 12A(1)(ac)(iii) of the Act was rejected and provisional registration was also cancelled.

4. Aggrieved by the order of CIT(E), the assessee filed appeal before the Tribunal. The learned Authorized Representative (Id. AR) submitted a paper book giving various details including the Memorandum of Association, activities of SVNIT Alumni Association, undertakings of the trust, audit report of the association for the year 31.03.2024, provisional registration u/s 12A(1)(ac)(vi) and 80G(5)(vi). The Id. AR also relied on the decisions in the cases of (i) Shah Gulabchand Shree Parshwanath Trust vs. CIT(E), 165 taxmann.com 731 (Surat – Trib.), (ii) Shree Bhandari Gnyati Mandal vs. CIT(E), ITA No.1503/Ahd/2024 (Ahd – Trib.) and (iii) Parul University Alumni Association vs. CIT(E), ITA No.70/Ahd/2024 (Ahd – Trib.). The Id. AR submitted that the CIT(E) has rejected the application for registration only on the basis of one object out of the 15 objects of the association. The objects are to be seen as whole and not in isolation. The Id. AR has submitted an analysis of the objectives of the trust and argued that only object at Sr. No.15 may be

considered as being for the benefit of the Alumni. He, therefore, requested to set aside the order of the CIT(E) and allow registration to the appellant. The analysis submitted by the Id. AR is as under:

<b><i>This Analysis is for representative purpose and can be add/alterd and is/for Preliminary analysis purpose</i></b>		
1.	<i>To conduct all kinds of programs to encourage students to research in the field of science, engineering and technology</i>	<i>Education, General public utility</i>
2.	<i>To provide financial assistance and scholarships to poor and needy current and former students and others to encourage them in their research. To help all those who want to do research in the field of science, engineering and technology in all ways.</i>	<i>General public utility, education</i>
3.	<i>To make efforts for the development of SVNIT, Surat</i>	<i>Education, General public utility</i>
4.	<i>To organize all kinds of activities like workshops, discussions, seminars, lecture series, conferences, competitions and exhibitions of promote the field of science, engineering and technology and to spread awareness among the society by alumni and current students.</i>	<i>Education, General public utility</i>
5.	<i>To undertake all necessary activities for the upliftment and advancement of the students of the college</i>	<i>Education, Relief to poor, General public utility</i>
6.	<i>To provide a platform for past students of the college to connect with their parent Institute matter and undertake mutually beneficial activities for the upliftment of the career of each member.</i>	<i>General public utility</i>
7.	<i>To conduct cultural recreational and health activities for the members and students of the college</i>	<i>Education, General public utility</i>
8.	<i>To organize educational and exploratory tours for the members and students of the college</i>	<i>Education</i>
9.	<i>To fulfil social responsibilities towards society</i>	<i>General public utility</i>
10.	<i>To honour and reward former students who have achieved special achievement in any field and to provide a platform for discussion and consideration among them</i>	<i>General public utility</i>
11.	<i>To promote entrepreneurship and innovation</i>	<i>Education</i>

	<i>among students</i>	
12.	<i>To persuade alumni to participate in activities that contributes to the development of the college and society</i>	<i>General public utility</i>
13.	<i>To make efforts to solve the difficulties and problems encountered in the field of education and activities to promote it</i>	<i>General public utility, education</i>
14.	<i>Providing employment opportunities to students and showing their problems</i>	<i>General public utility</i>
15.	<i>To carryout such functions as may be lawfully expedient to carry out the objects of the Association and in the interest of the Alumni</i>	<i>General public utility</i>

5. On the other hand, learned Commissioner of Income-tax - Departmental Representative (Id. CIT-DR) for the revenue submitted that the Bench may take appropriate decision.

6. We have heard both parties and perused the materials available on record. We have also deliberated on the decisions relied upon by the Id. AR. On perusal of the objects of the trust, it cannot be said that the appellant association has been formed only for the benefit of the members of the Alumni Association. We find that the objects of the trust were for overall development of students in the field of Science, Engineering and Technology. It was also for the financial assistance to poor and needy students. The activities of the association are for benefit of cross section of the society, which covers general public utility and not for the benefit of any particular segment. The decisions relied upon by the Id. AR are also applicable in the present case. In case of Shah Gulabchand Shree Parshwanath Trust (supra), the matter was remanded back to CIT(E) because he denied registration u/s 12A to the assessee-trust due to one objective benefitting only Jain

community, but overlooked broader charitable objectives. The decision of ITAT, Ahmedabad in case of Parul University Alumni Association (supra) is also supports case of the assessee. It was held in the said case that looking into the objects of the trust, it could not be held that the said trust was formed only for the benefit of a particular community, it was also observed that this aspect should be considered at the time of grant of exemption u/s 11 of the Act and the provisions of section 13 should not be invoked at the time of grant of registration u/s 12AA of the Act. After considering the facts of the cases and objectives of the Association, we are of the opinion that objects of the trust are for education, particularly in the field of science, engineering and technology and advancement of any other objects of general public utility and not for benefit of only the members of the association. Hence, the order of CIT(E) is set aside and ground of the appellant is allowed.

7. In the result, the appeal of the assessee is allowed.

**ITA No.1077/SRT/2024:**

8. Facts of the case are that assessee had filed Form No.10AB u/s 80G(5) of the Act on 27.10.2023. The date of registration in this case was 01.12.2021. The applicant had been granted provisional approval on 16.12.2022 in Form No.10AC under clause (vi) of first proviso to section 80G(5) of the Act for the period commencing from AY.2022-23. Vide notice dated 12.01.2024, the CIT(E) intimated the applicant that the date of commencement of activities should be six months prior to date of filing of Form 10AB. He requested as to

why the application filed in section 80G(5)(iii) in Form 10AB should not be treated as not filed and be not rejected. The appellant did not file any response to the above notice of the CIT(E). Thereafter, the CIT(E) observed that appellant was required to file application in Form 10AB on or before 30.09.2022, which it failed to submit. As the application was not filed before 30.09.2022 within the extended time limit as per Circular No.8 of 2022, the application was rejected without going into the merits of the case. The provisional approval was also cancelled.

9. Aggrieved by the order of CIT(E), the assessee-trust has filed appeal before the Tribunal. The Id. AR submitted that as the assessee-trust was granted provisional approval, it was required to file the application for final approval at least six months prior to expiry the period of provisional approval or within six months of commencement of its activities, whichever is earlier, as per the first proviso to section 80G(5) of the Act. As the assessee-trust did not commence the activity, it was required to file application for approval u/s 80G(5) before 30.09.2024, as it was granted approval till AY.2024-25. Therefore, the application filed on 27.10.2023 was in time. Without prejudice to the above, the Id. AR submitted that subsequent to the Circular No.8/2022, Circular No.6/2023, dated 24.06.2023 was issued extending the date till 30.09.2023. But, there was confusion that the extension does not apply to application for approval u/s 80G of the Act. However, after the order passed by CIT(E), a fresh Circular No.7/2024 was issued on 25.04.2024, extending the

date till 30.06.2024. The Id. AR submitted that para 4.1 of the said Circular (supra) is applicable in case of the assessee-trust which extends time for making fresh application up to 30.06.2024. He submitted that assessee-trust has already made application u/s 80G(5) and the CIT(E) has rejected such application before issuance of the above Circular No.7/2024 (supra) solely on the ground that application was furnished after the permissible time. The fresh application was required to be filed on or before 30.06.2024. The assessee did not file the fresh application as the matter was pending before the Tribunal. The Id. AR submitted that the application filed earlier should be treated as fresh application filed before 30.06.2024 as per the intent and spirit of the Circular No.7/2024 (supra). He relied on the decision of ITAT, Chandigarh in case of FI Foundation vs. CIT(E), (2024) 166 taxmann.com 124 (Chandigarh – Trib).

10. On the other hand, Id. CIT-DR for the revenue relied on the order of the CIT(E).

11. We have considered rival submissions and perused the materials available on record. We have also carefully perused Circular No.7/2024 (supra). The CIT(E) rejected the application in Form No.10AB u/s 80G(5) of the Act vide his order dated 03.04.2024. Subsequently, Circular No.7/2024, dated 25.04.2024 was issued by the CBDT, extending the time limit up to 30.06.2024. The Id. AR has relied on the above Circular (supra) and requested that the

benefit extended by the said Circular (supra) should be granted to the assessee-trust. For ready reference, para 4.1 of the trust is reproduced below:

*“4.1 Further, in cases where any trust, institution or fund has already made an application in Form No.10AB, and where the Principle Commissioner or Commissioner has passed an order rejecting such application, on or before the issuance of this Circular, solely on ground of the fact that the application was furnished after the due date or that the application has been furnished under the wrong section code, it may furnish a fresh application in Form 10AB within the extended time provided in para 3(ii) i.e., 30.06.2024”.*

12. The assessee was required to file fresh application before 30.06.2024.

The Id. AR submitted that the assessee did not file application as the matter was pending before the Tribunal. He requested that the application filed earlier may be treated as the application filed before 30.06.2024 as per the intent and spirit of Circular No.7/2024, dated 25.04.2024. For this, reliance was placed on the decision of ITAT, Chandigarh in case of FI Foundation (supra). In the said decision, the application has been rejected vide order dated 19.03.2024 before the issuance of the Circular No.7/2024 (supra). However, the Tribunal observed that going by the intent and spirit of the above Circular (supra) issued by the CBDT and submission made by the assessee, the application of the assessee deserves to be examined on merits and cannot be dismissed as barred by limitation. There is no reason as to why the above decision would not be applicable to the facts of the instant appeal, which are similar. Hence, following the above decision, the matter is remitted to the file of CIT(E) to admit the application of the assessee-trust as filed within the stipulated period and examine the same on merits as per law after

granting reasonable opportunity of being heard to the assessee. The assessee is also directed to be more vigilant in pursuing his case and file necessary documents and evidence as needed by the CIT(E). For statistical purposes, the appeal of the assessee is treated as allowed.

13. In the result, appeal of the assessee is allowed for statistical purposes.

Order is pronounced on 20/02/2025 in the open court.

**Sd/-**  
**(PAWAN SINGH)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(BIJAYANANDA PRUSETH)**  
**ACCOUNTANT MEMBER**

Surat

दिनांक/ Date: 20/02/2025

SAMANTA

**Copy of the Order forwarded to:**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, Surat
6. Guard File

**// TRUE COPY //**

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Surat