

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH, NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
SHRI K.M. ROY, ACCOUNTANT, MEMBER

ITA no.339/Nag./2024
(Assessment Year : N.A)

The Nephrology Society
C/o Dr. Ashwin Khandekar
402, Maharshi Kapil Apartments
Swavlambi Nagar, Ranapratap Nagar
Nagpur 440 002 PAN – AADTT7730M

..... Appellant

v/s

Commissioner of Income Tax
Exemption, Pune

..... Respondent

Assessee by : Shri Kapil Hirani
Revenue by : Shri Sandipkumar Salunke

Date of Hearing – 24/02/2025

Date of Order – 21/03/2025

ORDER

PER K.M. ROY, A.M.

Instant appeal by the assessee is against the impugned order dated 29/03/2024, passed in Form no.10AD, by the learned Commissioner of Income Tax (Exemption), Pune, [*learned CIT(E)*], rejecting the application under section 12AB of the Income Tax Act, 1961 (*the Act*).

2. The assessee has raised following grounds:-

"1. The Hon. CIT (Exemption) was not justified in rejecting the application U/S.12A of the Income Tax Act 1961, without appreciating the genuineness of charitable activities carried on by the assessee trust within the ambit of the objects of the trust and the documents submitted during the course of proceedings.

2. The Hon. CIT (Exemption) failed to consider activity of spreading education, awareness, developments, etc in the field of nephrology by way of conduct

seminar, conferences, study group meets, etc within the ambit of charitable activity u/s 2(15) of the Income Tax Act.

3. On the facts of the case and that of the law, Ld. CIT (Exemption) has failed to apply the provisions of the Section 36A(3) of Maharashtra Public Trust Act, 1950 since the money obtained from the trustee was already repaid and further the money obtained cannot be termed as loan but merely a short term provisioning to incur the expenses and to undertake the activities where the prior permission is required from the Hon'ble Charity Commissioner.

The appellant craves leave to add, amend or alter the above grounds of appeal as the occasion may demand or circumstances may require.

3. The learned CIT(E) in his impugned order dated 29/03/2024, had rejected the application under section 12AB of the Act filed by the assessee by noting as under:-

"6.1 On verification and evaluation of the documents furnished by the assessee, various shortcomings are noticed. The primary function of 'The Nephrology Society, as outlined in its objects, is to promote, develop, and exchange scientific knowledge and technical cooperation in the field of nephrology. However, the activities undertaken by the trust do not align with the stated objectives in a manner that substantiates their charitable nature. Over the past three years, the society has purportedly organized conferences, which are claimed to be in line with its objectives.

However, the activities reported by the trust lack substantial evidence to demonstrate their efficacy in promoting the objects of the trust or fulfilling the charitable intent of the organization. Despite the specific request for a detailed note on each activity along with supporting evidence, the documentation provided by the trust falls short of the requisite standards. The documents submitted consist primarily of superficial reports detailing the attendance of dignitaries, lectures delivered, and photographs from events, including unrelated activities such as trips. Further, the assessee failed to provide adequate supporting evidence so as to prove the genuineness of trust's activities.

7. In view of the above, the undersigned is not satisfied about the charitable nature and the genuineness of activities of the assessee and compliance to requirements of any other law for the time being in force by the trust / institution as are material for the purpose of achieving its objects. Therefore, the application filed by the assessee is hereby rejected and the provisional registration granted on 27/05/2021 under section 12AB read with section 12A(1)(ac) (vi) of the Income Tax Act, 1961 is hereby cancelled."

4. Shri Kapil Hirani, learned Counsel for the assessee concluded his argument by stating that the order is unsustainable. The learned Counsel furnished a note showing activities carried out by the Society, which reads as under:–

"1. Providing Relief in CKDu (CKD in Poorer Farming communities in Vidarbha)

A. Dr. Dhananjay Ookalkar & Dr. Manish R Balwani visited villages in Yavatmal district (Pingari) in 2019

B. Dr Monali Sahu, Dr Pranaw kumar Jha visited 5 Villages in Yavatmal district 2024.

<i>Village</i>	<i>Asola</i>
<i>Virul</i>	<i>Bramhi wadad</i>
<i>Dhundi</i>	<i>Ghampur</i>
<i>Tehsil</i>	<i>Ner</i>
<i>Bramhi wadad</i>	<i>Mahagaon</i>
<i>Dhundi</i>	<i>Pusad</i>
<i>Ghampur</i>	<i>Umarkhed</i>

C. Dr Utkarsh Deshmukh visited Nandura in Buldhana District in Jan 2025

During these visits, local people and administration became aware CKDu factors responsible such as socioeconomic status, drinking water source, availability of health services, exposure to pesticides.

D. A research project in collaboration with NEERI & Department of Geology, RTMNU, Department of Social Sciences, Yavtamal was made.

E. Water samples from wells of affected villages was collected & analysed by NEERI where nitrate levels were found to be high. The findings of studies were presented in consecutive meetings held by the society.

2. Social Outreach

Looking at the CKDu, the society in particular communicated with the district collector of Yavatmal & requested for installation of RO plants in the villages. The government proactively installed RO plants in various villages.

3. Infrastructure Development

Many CKD patients were coming from Yavatmal region & as there was no full time nephrologist available in the city, it was decided by the society to reach out to the GMC Yavatmal.

Dean Dr. Manish Shrigiriwar facilitated the process & members of the society paid regular monthly visits at the GMC Yavatmal. Here OPD services, teaching

& inputs for hemodialysis set up were provided by the society members. Now the GMC Yavatmal has fully functional own hemodialysis unit which is serving needy local population.

4. Improving Dialysis Manpower Quality

Dialysis Technician Assistant Training Programme. Regular lectures were conducted by nephrologist for students. They were trained at various dialysis units

The society started Competency Certificate in Hemodialysis certificate course.

5. Internet Outreach

The society has its own website, you tube channel, periscope facility. Information about available dialysis facilities across Vidarbha for access to common public is displayed on the Society's website.

6. Disaster Preparedness

1. During the COVID 19 pandemic (September 2020) correspondence was made with the Honorable Municipal Commissioner of Nagpur and physical meetings were held with the Hon. Additional Municipal Commissioner of Nagpur regarding the provision of Dialysis facilities in Nagpur region during the pandemic

2. A General Disaster management plan was made by The Nephrology Society regarding provision of Kidney injury treatment in natural disaster situations and it was presented to the municipal authorities.

7. Journal of The Nephrology Society

The Society decided under the leadership of Dr. Suryashree Pande to launch the journal in the installation ceremony of new body on 18th August 2019. Dr. Suryashree's untiring efforts could only make it possible to launch the journal with highly scientific contents.

8. Conferences

1. In September 2020, The Nephrology Society organized the annual conference of the West Zone of Indian Society of Nephrology which was awarded to it by the ISN which is the national organization of Nephrologists.

2. In October 2022, The Nephrology Society organized the Annual conference of the Indian Society of Organ Transplant (ISOT) which is the national body of Organ Transplant professionals.

Dialogue and education during these conferences gave impetus to the organ transplant activities in Vidarbha Region, Year wise data for which is given below

Year	Total Donors	Kidney	Liver	Heart	Lungs	Pair of Corneas
------	--------------	--------	-------	-------	-------	-----------------

2019	18	28	16	1	1	12
2020	03	06	03	-	-	03
2021	18	31	18	2	-	10
2022	10	20	09	-	-	04
2023	35	59	29	04	03	19
2024	39	73	30	02	-	23
2025	02	04	02	-	-	-

Reference - Data from Zonal Transplant Co-ordination Center, Nagpur

9. Public awareness activities-

Every year during the installation of new office bearers a public awareness meeting is held which is attended by the common public and doubts and concerns regarding kidney diseases are addressed.

A walkathon is organised annually, and free Blood check up is done during run up for the walkathon to diagnose kidney disease on Free of cost basis for common public.

10. Health check up camps-

Health Check-up camps were organised at Nandura (Buldhana) on 26.01.2025 and Rewa, Madhya Pradesh on 11.2.205 and health check up and blood tests were provided Free of cost to common public.

5. In support of his arguments, the learned Counsel for the assessee relied on the following case laws:-

- *CIT(E) v/s Anesthesia Society IT Appeal No. 170 of 2018 - Rajasthan HC;*
- *M/s S.R.K.R.E.C Alumni Association v/s Commissioner of Income Tax Exemptions, Hyderabad ITA No. 533 / VIZ/2017-ITAT Vishakhapatnam;*
- *Heart Care Management v/s DIT(E), ITA No. 5241/Del./2011- ITAT New Delhi;*
- *Anaesthesia Academic Society v/s CIT ITA No. 6116/ Mum /2016-ITAT Mumbai;*
- *Paediatric Pulmonology Programme Trust v/s CIT, ITA No.779 /Chd./2014 - ITAT Chandigarh;*
- *Association of Physician of India v/s CIT(E), ITA No.138/Asr./2016-ITAT Amritsar; and*

- *Ram Phool Hooda Charitable Trust v/s CIT(E), ITA No.1744/Del./2024-ITAT Delhi.*

6. Shri Shri Sandipkumar Salunke, learned Departmental Representative, per-conta, submitted that the society is not undertaking any charitable activity within the meaning of section 2(15) of the Act and hence the rejection is well justified.

7. We have given a thoughtful consideration to the arguments made by the rival parties and perused the material available on record. There is no concept of eleemosynary in the entire gamut of activities carried out by the Society. The end user or beneficiaries have not been identified. Moreover, in reply to the specific queries, the Society submitted as under:-

"The Society commenced its activity in the year 2020. There activities covered advancement of medical and technical knowledge and research in the field of nephrology in all its aspect by way of holding periodical meetings, conference, demonstration, training programs and social gathering.

8. The conferences were held with actual support of pharmaceutical companies and all such sponsorships were subject to Tax Deduction at Source (TDS) which is indicative of commercial nature. No details of expenses incurred on charity were submitted. We are in full agreement with the submissions of the learned Departmental Representative that the element of charity is conspicuously absent. Hence the appeal filed by the assessee is liable to be dismissed. Accordingly, we decline to disturb the impugned order passed by the learned CIT(E).

9. In the result, assessee's appeal stands dismissed.

Order pronounced in the open Court on 21/03/2025

Sd/-
V. DURGA RAO
JUDICIAL MEMBER

Sd/-
K.M. ROY
ACCOUNTANT MEMBER

NAGPUR, DATED: 21/03/2025

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur

		Date	Initial	
1.	Dictated on	06.03.2025	}	Sr.PS
2.	Draft placed before author	21.03.2025		Sr.PS
3.	Draft proposed & placed before the second member	--		JM/AM
4.	Draft discussed / approved by Second Member	--		JM/AM
5.	Approved Draft comes to the Sr.PS/PS	21.03.2025	}	Sr.PS
6.	Date of pronouncement	21.03.2025		Sr.PS
7.	File sent to the Bench Clerk	21.03.2025		Sr.PS
8.	Date on which file goes to the Head Clerk			
9.	Date of dispatch of Order			