

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'DIVISION BENCH', AMRITSAR**

**BEFORE SHRI UDAYAN DAS GUPTA, JUDICIAL MEMBER  
AND SHRI KRINWANT SAHAY, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA Nos. 474 & 475/Asr/2024

The Association of Colon and Rectal Surgeons of India, 408A, Kapurthala Road, Adarsh Nagar, Jalandhar	बनाम	The CIT Exemption, Chandigarh
स्थायी लेखा सं./PAN NO: AAKAT9866E		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

( Hybrid Hearing )

निर्धारिती की ओर से/Assessee by : Sh. Sushil Sharma, Advocate

राजस्व की ओर से/ Revenue by : Smt. Vandana Vijay Mohite, CIT DR

सुनवाई की तारीख/Date of Hearing : 20.03.2025

उदघोषणा की तारीख/Date of Pronouncement : 09.06.2025

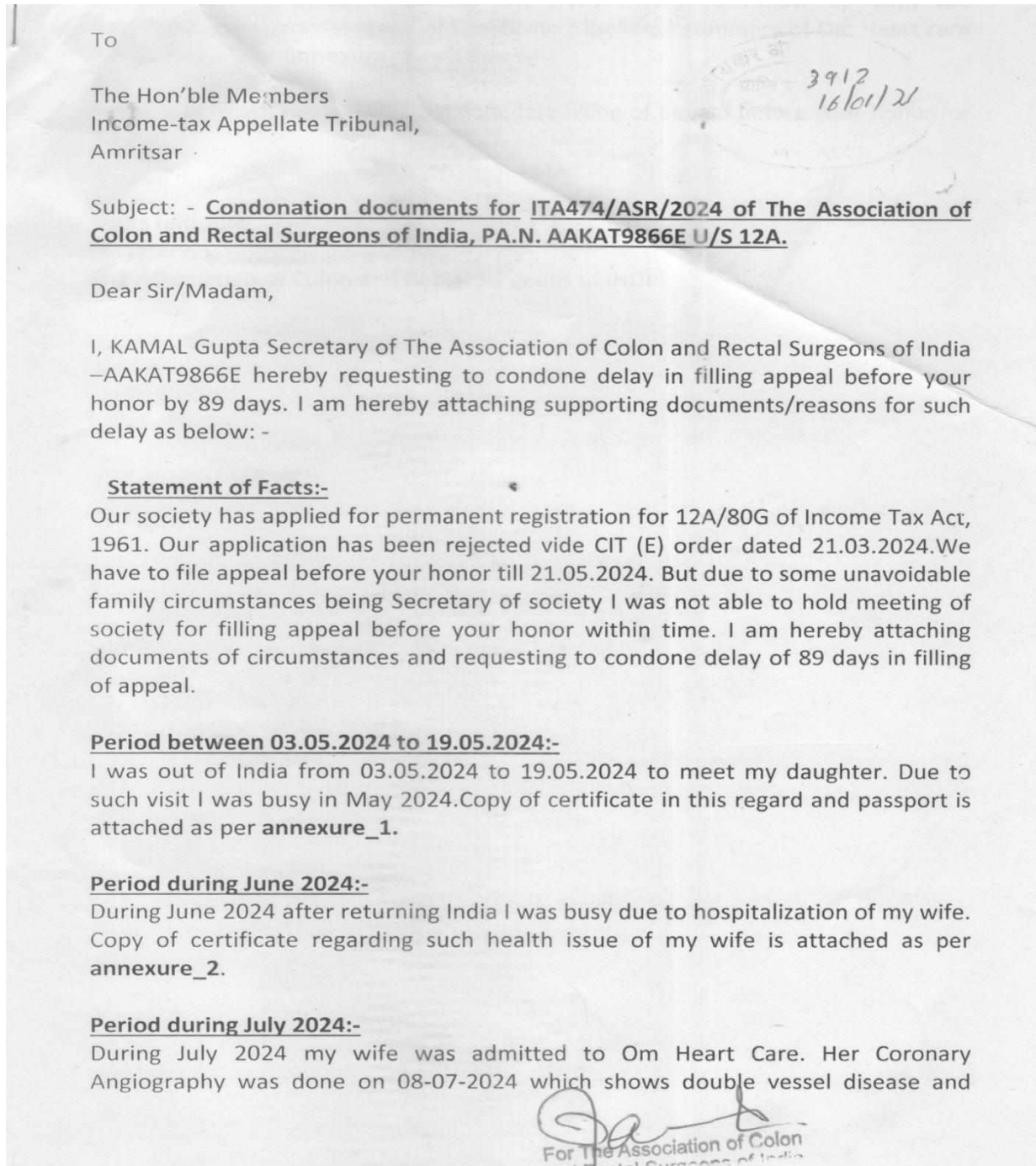
**आदेश/Order**

**Per Krinwant Sahay, AM:**

Appeals in these cases have been filed by the Assessee against the separate orders, each dated 21.03.2024, passed by Ld. Commissioner of Income Tax, Exemptions, Chandigarh.

2. The Registry has pointed out that there is a delay of 89 days in filing of both the appeals before the Tribunal. The Counsel of the Assessee has filed detailed separate applications containing identical reasons in both the appeals on behalf of the Assessee,

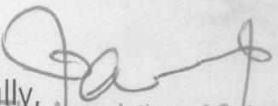
making prayer for condonation of delay. The contents of one of the applications along with an Affidavit in ITA No. 474/ASR/2024 is reproduced as under: -



advice for PTCA + S TO RCA. She underwent PTCA + S TO RCA (stunt for removing blockage) on 08-07-2024. During July 2024 I had to follow up with the hospital/Heart specialist .Copy of Certificate /discharge summary of Om Heart care is attached as per **annexure\_3**.

Keeping in view above please condone late filling of appeal before your honor for 89 days.

Yours faithfully,

  
For The Association of Colon  
and Rectal Surgeons of India

The Association of Colon and Rectal Surgeons of INDIA

Affidavit

I, Mr. Pradeep Purushottam Sharma, Age :- 63 yrs, Occ : Doctor,  
R/su :- A1/2, Just Three Sunshree Enraid, NIEM Road, Kondhwa,  
Pune 411048., President of : Association of Colon & Rectal  
Surgeons of India, hereby declare that : -

1. That I am the President of : Association of Colon & Rectal Surgeons of India having P.A.N. AAKAA9866E.
2. Our Society has filed appeal before ITAT, Amritsar on 17.08/2024 against CIT(E), Chandigarh, Order dated 20.5.2024. Due date of filling of above stated appeal is 20.05.2024. Appeal has been delayed by 89 days.
5. Reason of delay in filling appeal is due to family/health issues of some members, due to which meeting for above matter could not be held in time.
6. Other reason of delay is amendment in position/powers of President and Secretary.
7. I being President of the said Association requesting to Condone delay in filling.



**BEFORE ME**

**MUZAFFAR B. SHAIKH**  
ADVOCATE & NOTARY  
GOVT OF INDIA  
NOATED & REGISTERED  
AT SERIAL NUMBER 3519/2024



Pradeep Sharma  
DEPONENT

Verification:-

I, the above named deponent do hereby verify that the contents of my above affidavit are true & correct to the best of my knowledge & belief & nothing kept concealed therein.

Dr. Pradeep Sharma

3. We have gone through the identical issues brought on record in the form of aforesaid communication alongwith identical Affidavit for delay in filing of these appeals. In view of the explanation and reasoning given, the delay of 89 days in filing of both the appeals is condoned.

5. The ld. DR did not have any objection for condonation of delay. Accordingly, the delay in filing of the appeals is hereby condoned.

6. Since the issues, facts and circumstances involved and submissions of Counsel of the Assessee in both the appeals are similar, they were heard together and are being disposed off by this common and consolidated order.

7. The common identical grounds taken by the Assessee in both the appeals are reproduced as under: -

- 1. That the order of learned CIT (E) is against the law and facts of the case.*

2. *CIT(E) is wrong for not considering fact that promotion of education in any form is for welfare of public.*
  3. *CIT(E) is wrong for not considering fact that medical science is for welfare of public and cannot be linked with individual/group benefit.*
  4. *CIT(E) is wrong for not considering nature of activities undertaken by society*
  5. *CIT (E) is wrong while making calculation of fund utilized for objects of society.*
  6. *CIT (E) is wrong for not considering corpus fund and conditions fulfilled for same by society.*
  7. *Any other ground which may be raised at the time of hearing.*
8. The Id. CIT(E) has brought it on record his findings on this issue as under:-

*The bank statements of the applicant were seen to verify the genuineness of the activities. During F.Y. 2022-23, it is seen that applicant received amounts of Rs.36,000/, Rs.18,03,870/-, Rs.4,90,00/- and Rs.9,01,935/- from pharma company Abbot India. This has to be seen in the context that the medical Council of India in exercise of its statutory powers amended the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations,*

2002 (the Regulations ) from time to time since 10-12-2009 imposing a prohibition on the medical practitioner & their professional associations from taking any gift travel facility , hospitality, cash or monetary grant from the pharmaceutical and allied health sector industries. NMC guidelines further prohibit doctors from attending medical conferences, also known as CPDs (Continuing Professional Development programmes and CME in the present case), which are sponsored by pharmaceutical companies. At the heart of it is the necessity to reduce or avoid instances of conflicts of interests, i.e. a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest (e.g. prescription of a drug to a patient) will be unduly influenced by secondary interests (i.e. the interest of the pharma which sponsored your travel to a particular conference).

1. The universal rule is that the law recognizes no purpose as charitable unless it is of a public character. A purpose must in order to be charitable be directed to the benefit of the community or a section of the community and not to the benefit of particular private individuals. Where the primary purpose of a society is benefit of the members themselves or their families, the society cannot be considered as having been established for charitable purposes even if it is formed for the study of a particular science and that study tends indirectly to the promotion of education generally. When an object seeks to promote or protect the interests of a particular trade or industry, that object may be an object of public utility, but not so, if it seeks to promote the interests of those who conduct the said trade or industry. In *Sole Trustee, Loka Shikshana Trust v. C.I.T.3* (1975) 101 ITR 234, 242 (SC), Khanna J. speaking on behalf of himself and Gupta J. observed "As a result of the addition of the word "not involving the carrying on of any activity for profit" at the end of the definition in section 2(15) of the Act, even if the

*purpose of trust is "advancement of any other object of general public utility", it would not be considered to be "charitable purpose" unless it is shown that the above purpose does not involve the carrying on of any activity for profit.*

*The applicant applied for registration classifying its activities under "Relief of the poor, Education and Medical relief. Though the applicant has stated to have conducted a medical camp and an awareness event during the last two years but no corresponding expenditure on the organization of Medical Camp and awareness event has been furnished. Furthermore, as per the newsletter furnished along with the response of the applicant, it is seen that most of the events are seminars, conferences and live surgeries have been organized for the benefit of members of the association only.*

7. *Here, it is worthwhile to mention that the word 'education' has always remained a subject matter on of debate in India for the purposes of Income Tax assessment and exemptions. The meaning of 'education' under section 2(15) of the Income Tax Act, 1961 has been interpreted in a very narrow sense to imply only formal schooling. All other forms of dissemination of knowledge are excluded from the definition of 'education'. The interpretation of the word 'education' was made conservatively by Supreme Court in the case of Sole Trustee, Loka Sikshana Trust v CIT [1975] 101 ITR 234, where it was held that*

*"the word 'education' in section 2(15) has been used to denote systematic instruction, schooling or training given to the young in preparation for the work of life and it also connotes the whole course of scholastic instruction which a person has received, which led to the understanding that only institutions affiliated to boards and universities providing schooling which resulted in a degree or diploma. The*

*education also included primary education as such education was a backward integration to normal schooling."*

8. *From time to time, Hon'ble SC has held that 'Charity' means altruism in thought/action and benefiting others rather than oneself. To be broadly construed a charitable society should be for the benefit of the poorer needy sections of the society/general public. Not obligatory that object should benefit all of mankind of a country/ state. The benefit / object can be for specific specialized section of public. However, in the instant case, it is only for the benefit of unholy alliance of doctors and pharma companies and cannot be construed as specific specialized section of public. Further, the activities carried out by the assessee as furnished\_in its reply do not Inspire confidence than the society exists for the benefit of the general public at large for the reasons discussed below.*

9. *The above discussion clearly brings out that the society works solely for the **purpose of networking between doctors and the pharma companies which is unethical and contrary to public policy** rather than to work for general public and in no way the activities performed by it falls under the definition of "Charitable purpose" as defined in Section 2(15) of the Income-tax Act, 1961.*

10. *In the backdrop of above discussion and factual matrix , the application filed by the applicant for registration u/s 12AB of the Act is hereby rejected, which rejection and consequent lack of registration will apply from this AY 2023-24 onwards and also supersede any registration granted u/s 12AB or 12AA of the Act by any authority at any earlier time.*

*During the proceedings before us, the ld. Counsel for the Assessee argued that the Assessee has filed application in Form 10AB for permanent registration u/s 12A. But Assessee's application was rejected on the ground that activities relating to medical education, medical awareness and medical camp are not covered under charitable activities. The Assessee also provided all information relating to such medical education, Medical welfare undertaken for public welfare but the AO rejected the application without any logic/basis.*

9. The Ld. Counsel during the proceedings before us filed written submissions along with the statement of facts. The Ld. Counsel for the Assessee argued that the Assessee has filed applications in Form 10AB for permanent registration u/s 12A but applications were rejected on the ground that activities relating to medical education, medical awareness and medical camp are not covered under charitable activities. It was further stated that Assessee has provided all information relating to such medical education, medical welfare undertaken for public welfare. But AO rejected our application without any logic/basis.

10. We have considered the findings given by the Id. CIT(E) as well as written submission filed by the Assessee and arguments of the Id. Counsel for the Assessee on different grounds of appeal raised in this assessment proceedings. We find that despite the fact that the counsel of the Assessee has attempted to produce different documents to prove his points but the basic issue raised by the Id. CIT(E) that these institutions have not do anything charitable to the public, could not be rebutted by the Counsel of the Assessee. Therefore, we are of this considered view that in the absence of bringing any proof / document on record that the institution is genuinely involved in charitable works, arguments of the Id. Counsel for the Assessee cannot be accepted. Therefore, we are not inclined to accept the arguments made by the Counsel of the Assessee. Accordingly, appeals filed by the Assessee on different grounds of appeals are hereby dismissed.

11. In the result, both the appeals are dismissed.

Order pronounced on 09.06.2025

Sd/-

**( UDAYAN DAS GUPTA )**  
**Judicial Member**

“आर.के.”

Sd/-

**( KRINWANT SAHAY )**  
**Accountant Member**

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ/ DR, ITAT,  
CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,  
सहायकपंजीकार/ Assistant Registrar