

**IN THE INCOME TAX APPELLATE TRIBUNAL SURAT BENCH, SURAT
(HYBRID HEARING)**

**BEFORE SHRI SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

I.T.A. No. 81/SRT/2025
(Assessment Year: N.A.)

Shri Vardhman Sthanakvasi Jain Sangh Trust, Opp. Ginwala School, Piraman Naka, Ankleshwar, Bharuch-393001	Vs.	Commissioner of Income Tax (Exemption), Ahmedabad
[PAN No.AAATS8444E]		
(Appellant)	..	(Respondent)

Appellant by :	Shri Kamlesh Bhatt, C.A.
Respondent by:	Shri Aashish Pophare, CIT DR

Date of Hearing	07.07.2025
Date of Pronouncement	15.07.2025

ORDER

PER SIDDHARTHA NAUTIYAL - JUDICIAL MEMBER:

This appeal has been filed by the Assessee against the order passed by the Ld. Commissioner of Income Tax (Exemption), (in short “Ld. CIT(E)”), Ahmedabad vide order dated 25.11.2024.

2. The assessee has raised the following grounds of appeal:

“1. In view of the facts and circumstances of the case the Ld. CIT(Exemption), erred in law and in facts, in not cancelling the registration of the Appellant U/s. 12 AB of The Income Tax Act, 1961 and hence Your Appellant prays that the impugned order of the cancellation of registration of the appellant U/s. 12AA of be quashed and the Ld. CIT(Exemption) be directed to grant the registration to the appellant U/s. 12AA of The Act.”

3. The brief facts of the case are that the assessee filed application for approval under Section 80G of the Act in Form No. 10AB. However, Ld.

CIT(E) dismissed the application on the ground that the assessee / applicant trust has incurred expenses on religious activities, in excess of 5% of the total income in the last three years.

4. The assessee is in appeal before us against the aforesaid order passed by Ld. CIT(E). Before us, the Counsel for the assessee submitted that Ld. CIT(E) failed to appreciate that the assessee has engaged purely in providing charitable services like distribution of food to the poor, medical check-up of stray animals, reimbursement of travelling expenses of people having low income etc. It was submitted before us that Ld. CIT(E) erred in not appreciating that these expenses were not for religious purposes but were essentially charitable expenses which was incurred by the assessee / applicant trust on religious “occasions”. The assessee incurred charitable expenses like food distribution to needy people, medical check-up of stray animals etc. on various religious occasions like Chaturmas Expenses, Vihar Sewa Expenses, Mahavir Jayanti Expenses, Tap Mahotsav Expenses etc. but the expenses, it was submitted before us, were purely charitable in nature, and merely because they were incurred on religious occasions would not, by itself take away their charitable character.

5. In response, Ld. DR placed reliance on the observations made by Ld. CIT(E) in his order.

6. We have heard the rival contentions and perused the material on record.

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7. On going through the facts of the instant case, we are of the considered view that in the interest of justice, the matter may be restored to the file of Ld. CIT(E) and the assessee / applicant trust would be at liberty to submit necessary proof to show that the expenses are purely charitable in nature and that expenses incurred by the assessee / applicant trust are not in excess of 5% of it's total income.

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

Order pronounced under proviso to Rule 34 of ITAT Rules, 1963 on 15/07/2025

Sd/-
(BIJAYANANDA PRUSETH)
ACCOUNTANT MEMBER

Ahmedabad; Dated 15/07/2025

TANMAY, Sr. PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, सूरत / DR, ITAT, Surat
6. गार्ड फाईल / Guard file.

Sd/-
(SIDDHARTHA NAUTIYAL)
JUDICIAL MEMBER

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकर अपीलीय अधिकरण, सूरत/ ITAT, Surat