



आयकरअपीलीयअधिकरण,राजकोटन्यायपीठ,राजकोट
IN THE INCOME TAX APPELLATE TRIBUNAL,
RAJKOT BENCH, RAJKOT

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER

आयकरअपीलसं/.ITA No.40/RJT/2025

निर्धारणवर्ष /Assessment Year: N.A.

Shree Nani Khakhar Rajput,Kshatriya Samaj Seva Trust.	बनाम Vs.	The CIT(Exemption) Ahmedabad
Nani Khakhar, Tal Mandvi- Kachchh Gujarat-370001 PAN :AAXTS3860K		
(अपीलार्थी/Appellant)	:	(प्रत्यर्थी/Respondent)

निर्धारित कीओर से/Assessee by : Ms. Chaunauti H. Dholakia, Id.AR
राजस्व की ओर से/Revenue by : Shri Abhimanyu Singh Yadav, Sr-DR

सुनवाई की तारीख/Date of Hearing : 09/07/2025
घोषणाकीतारीख/Date of Pronouncement : 18/07/2025

ORDER

Per Dr. Arjun Lal Saini, Accountant Member:

Captioned appeal filed by the assessee, is directed against the order passed by the Learned Commissioner of Income Tax (Exemption), wherein Ld. CIT(E) rejected the assessee's application in Form 10AB for approval u/s 12A(1)(ac)(iii) of the Act, holding that most of the objects of the assessee are for the benefit of Rajput Kshatriya Samaj, therefore, the Trust is for any particular caste and community and hence the assessee is not eligible for registration u/s 12A(1)(ac)(iii) of the Act.



2. The Ground of appeal raised by the assessee are as follows:

“(1) The Learned CIT (Exemption) erred in law and is not just in facts in rejecting the application for regular registration under section 12AB of the Act and also cancelling provisional registration of the appellant trust

(2) The Learned CIT(Exemption) erred in law and is not just as facts of the case in holding that the activities of the appellant trust are not conducted for the benefit of general public and are not charitable in nature.

(3) The Learned CIT (Exemption) has ignored dual nature of objects of the appellant trust

(4) The Learned CIT (Exemption) erred in law in holding that there is specified violation under clause (d) below explanation to section 12AB(4) of the Income Tax Act

(5) Order of Learned CIT(Exemption) to compute tax liability of the appellant trust under section 115TD read with Rule 17CB of IT Rules is not just

(6) The appellant trust craves, leave to add, amend, alter, vary or withdraw any of the above grounds of appeal before or at the time of hearing of appeal”

3. Brief facts qua the issue are that the assessee-trust has filed the application in Form 10AB under sub-clause (iii) of clause (ac) of sub-section (1) of section 12A of the Act. The assessee has been granted provisional registration in Form 10AC, under sub- clause (vi)of clause (ac) of sub-section (1) of section 12A on 31.12.2021 from A.Y. 2022-23and in reference to the present application filed by the assessee, in Form No. 10AB, the assessee was requested to submit certain details/documents, vide notices dated 03.07.2024 and 06.08.2024. In response to the said notices, the assessee, vide its reply dated 19.08.2024 has submitted certain details. However, on perusal of the objects/objectives of the assessee, as stipulated in the "Constitution of trust, it was observed by Id.CIT(E) that the object of the assessee found to be confined for the benefit of RAJPUT KSHTRIYA SAMAJ/community and are not for the benefit of public at large. Accordingly, a show cause notice was issued to the assessee on 20.09.2024.



4. In response to the above show-cause notice dated 20.09.2024, the assessee has submitted its reply on 24.09.2024 before learned CIT(E). In its reply, the assessee stated that the objects of the trust are for general- public utility and the mention of word "community" in the deed is for general public not for particulars Rajput Kshatriya Samaj. The assessee submitted that as per para 5 to para 11 of the constitution of the trust, in which there is mentioned about the socio-cultural activities and other Charitable activities for the general public and not for any particular religious community or caste, therefore, activities are for the benefits of the general public and not limited to particular religious community/caste.

5. However, learned CIT(E) rejected the above contention of the assessee and observed that objects of the assessee- trust are for the benefit of the members/families of "RAJPUT KSHTRIYA Samaj/community", and not for the benefit of public at large. The ld CIT(A) further notice that in assessee`s case, all eleven objects are charitable in nature and found to be confined for the benefit of " RAJPUT KSHTRIYA Samaj/community" and on further perusal of the Registration certificate issued by the Asst./Dy. Charity commissioner Kutch, the trust is found registered on 29.12.2018 with registration number A/2270/Kutch. Hence, it is evident that the disputed objects, which are charitable in nature, found to be confined towards benefit of particular religious community or caste and the assessee is also found to be registered after commencement of the Act. Therefore, as the assessee has satisfied both the conditions, it is a specified violation under clause (d) below explanation to section 12AB(4) of Income Tax Act, 1961 for which registration of trust can be cancelled. In view of the above,ld.CIT(E) noticed that as the objects of assessee are not as per the scheme of provisions provided under Income Tax Act, 1961, therefore, granting of registration in this case will lead to specified violation



under clause (d) below explanation to section 12AB(4) of Income Tax Act, 1961. Therefore, assessee's application filed in Form No. 10AB, u/s 12A(1)(ac)(iii) of the Act was rejected and provisional registration was also cancelled by the learned CIT (E).

6. Aggrieved by the order of Ld. CIT(E), the assessee is in appeal before us.

7. Ld. Counsel for the assessee, at the outset argued that during the proceedings before Ld. CIT(E), the assessee has not submitted entire documents and evidences, to prove its objects. Moreover, the assessee trust was registered with charity commissioner of Kutch on 29-12-2018. The assessee trust has not incurred any expenditure on any of the objects of the trust. The Ld. Counsel also submitted that no doubt some of the objects of the assessee trust are religious in nature, however the assessee has not spent any amount on the religious activities and just to mention some religious activities, in the trust deed, does not mean that it is a purely religious in nature. The Ld. Counsel also submitted that most of the objects of the Trust are charitable in nature. Therefore, the Ld. Counsel stated that one more opportunity should be given to the assessee to submit before the Ld. CIT(E), the following documents and evidences, (i) Audit Report of the Trust, (ii) any expenditure incurred on religious activities, (iii) objects of the Trust/Trust deed to be provided, (iv) The proof that assessee trust has not started any activities. The Ld. Counsel submitted that assessee- trust is open for everybody and will not be incurred any expenditure on religious activities. Therefore, one more opportunity should be given to the assessee, to submit the documents and evidences before the Ld. CIT(E).

8. On the other hand, Ld. CIT-DR for the Revenue, submitted that in the assessee's trust under consideration, all the eleven objects of the trust seems to



be charitable in nature but these objects, which are charitable in nature, are confined to the benefit of Rajput Kshatriya Samaj Community. Therefore Ld. D.R. for the Revenue submitted that it is a specified violation under clause (d) below explanation 1 of Section 12AB (4) of the Income Tax Act, for which registration may be cancelled. Therefore Ld. CIT-DR stated that assessee- trust does not deserve registration u/s 12A(1)(ac)(iii) of the Act, as the assessee is having charitable activities only for the benefit of Rajput Kshatriya Samaj Community. Therefore, the trust falls under the specified violation under clause (d) below explanation to section 12AB(4) of the Act. Hence assessee's appeal may be dismissed at this stage.

9. We have heard both the parties and perused the material on record. We note that no doubt all 11 objects of the trust are charitable in nature and they are confined for the benefit of Rajput Kshatriya Samaj Community. The Trust under consideration is recently registered with Charity Commissioner, Kutch on 29-12-2018. The Ld. Counsel for the assessee submitted that the Trust has not started any activities. Therefore the question that the amount would be spent on Rajput Kshatriya Samaj Community, should not be treated as a ground for rejection of the registration, as the assessee has never incurred any expenditure for the benefit of Rajput Kshatriya Samaj Community. The Ld. Counsel submitted that all 11 objects which are charitable in nature and open for general public benefit and it will not confine to the benefit of Rajput Kshatriya Samaj Community. Therefore Ld. Counsel prayed assessee wants to submit audit report, trust deed, objects of the trust and the details of activities and the expenditure if any incurred on the charitable purpose etc., before the Ld. CIT(E). Therefore, we are of the view that one more opportunity should be given to the assessee to submit these additional evidences before Ld. CIT(E).



We direct the Ld. CIT(E) to examine the assessee's objects audit report and activities of the trust and grant he registration in accordance with law.

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

Order is pronounced in the open court on 18/07/2025.

**Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER**

**Sd/-
(DR.A. L. SAINI)
ACCOUNTANT MEMBER**

राजकोट/Rajkot

(True Copy)

दिनांक/ Date: 18/07/2025

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

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकरआयुक्त/ CIT
- आयकरआयुक्त(अपील)/ The CIT(A)/(NFAC), Delhi.
- विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, राजकोट/ DR, ITAT, RAJKOT
- गार्डफाईल/ Guard File

By order/आदेशसे,

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot