

IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT  
BEFORE MS. SUCHITRA RAGHUNATH KAMBLE, JUDICIAL MEMBER &  
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.155/SRT/2025

(Hybrid Hearing)

Jay Bhawani Mandhani Charitable Trust, 209, 2 <sup>nd</sup> Floor, SNS Business Park, N/R Subham Bungalow, U M Road, Vesu, Surat - 395007	Vs.	CIT (Exemption), Ahmedabad
स्थायीलेखासं./जी आइ आरसं./PAN/GIR No: <b>AAETJ2496B</b>		
(Appellant)		(Respondent)

Appellant by	Shri Suresh K. Kabra, CA
Respondent by	Shri Ravinder Sindhu, CIT-DR
Date of Hearing	16/06/2025
Date of Pronouncement	21/07/2025

**आदेश / ORDER**

**PER BIJAYANANDA PRUSETH, AM:**

This appeal by assessee emanates from the order dated 20.12.2024, passed by the Commissioner of Income-tax (Exemption), Ahmedabad [in short, 'CIT(E)'], wherein the CIT(E) rejected the application filed in Form No.10AB for approval u/s 80G(5)(iii) of the Income-tax Act (in short, 'the Act').

2. The grounds of appeal raised by assessee are as under:

*"1. The Ld CIT(E) was not just and proper on the facts of the case and in law in rejecting the application of the Trust for approval u/s 80G(5).*

**2. PRAYER**

*2.1 The rejection order may be recalled and registration u/s 80G(5) may be directed to be allowed to the appellant.*

*2.2 Personal hearing may be granted.*

*2.3 Any other relief that your honours may deem fit may be granted.*

*3. The appellant craves leave to add, amend, alter or delete any or all of the above grounds of appeals.”*

3. The brief facts of the case are that the assessee-trust filed an application for approval under clause (iii) of first proviso to sub-section (5) of section 80G of the Act in Form No.10AB electronically. The CIT(E) issued notices on 14.09.2024, 29.11.2024 and 10.12.2024. He has discussed legal background of Rule 11AA(1), 11AA(2) along with section 80G(5) of the Act. He noted that the date of application for registration for approval in Form No.10AB was 28.06.2024 and the date of provisional approval was 25.08.2022 for the period from 25.08.2022 to AY.2025-26. Thereafter, the CIT(E) examined the objects of the trust, which is at page 8 of the order and held that the objects of the trust are religious in nature and not only charitable in nature as per section 80G(5) of the Act. In response to the show cause notice dated 29.11.2024, the appellant submitted the religious object at clause 13 of the trust deed has already been deleted. But, the CIT(E) observed that Object No. 13 was religious in nature involving in celebration of religious festivals, which clearly contravenes main conditions u/s 80G(5) of the Act. The CIT(E) observed that activity of celebration of religious festivals had not been struck out. The appellant had also not filed any evidence establishing removal/amendment of the said religious object. The CIT(E) held that assessee-trust was not established only for charitable purposes. He referred the provisions of section 80G of the Act and held that appellant had to be established only for charitable purposes and there should not be transfer or

application of funds for any purposes other than a charitable purpose, subject to concession granted u/s 80G(5) of the Act. The CIT(E) relied on the decisions of various Tribunals in cases of (i) Yug Chetna Parmarth Trust, 44 taxmann.com 446 (Agra – Trib.) and (ii) OM Tapovan Charitable Trust vs. CIT(E), ITA No.175/Ahd/2023 (Ahd – Trib.). He discussed the provisions of section 2(15), 80G(5) and 80G(5B) and 80G(5)(ii) of the Act and referred the decision of Hon'ble Supreme Court in case of Director of Secondary Education vs. Pushpendra Kumar, AIR 1998 SC 2230. It was observed that the appellant had violated existing main condition of sub-section (5) of section 80G, being a religious-cum-charitable trust and violated the conditions of section 80G(5)(ii) of the Act. Hence, the appellant was not entitled to get approval u/s 80G(5) of the Act. Therefore, application in Form No.10AB for approval under clause (iii) of first proviso to section 80G(5) of the Act was rejected and he also cancelled the provisional registration granted earlier.

4. Aggrieved by the order of CIT(E), the assessee filed appeal before the Tribunal. The learned Authorized Representative (Id. AR) of the assessee filed a paper book containing 27 pages, including copy of registration/approval u/s 12AB(1)(b), copy of trust deed (both in Gujrati and English translation), audited income and expenditure account and balance sheet for the year ended on 31.03.2023, 31.03.2024 and 31.03.2025. He also submitted that the documents were also provided before the CIT(E). The Id. AR further contended that the first line of object No.13 has been deleted by the Charity Commissioner, and it is no

more part of the objective. Further, the amount of religious and expenditure was Rs. Nil.

5. On the other hand, learned Commissioner of Income-tax - Departmental Representative (Id. CIT-DR) for the revenue supported the order of CIT(E).

6. We have heard both the parties and perused the materials available on record. The CIT(E) has treated the assessee-trust as a religious trust in view of the clause 4(13) of the trust deed. For the appreciation of fact, the same is reproduced below:

~~*"To build temples, maintaining them and performing all kinds of spiritual and religious activities....."*~~

6.1 The CIT(E) seems to have ignored the struck off portion of the clause and has wrongly held that it was for religious purpose but not for charitable purpose. However, it is clear from the trust deed submitted by the assessee-trust and its English translation that the said portion of the clause 4(13) have been struck off by the Charity Commissioner. The effective portion of point No. 4(13) is reproduced below for ready reference and clarity:

*".....Celebrating national and religious festivals. To do all kinds of activities for the social moral and spiritual upliftment of the human race."*

6.2 Therefore, it cannot be said that the appellant is a religious trust and was not engaged for charitable purposes. The Id. AR has further submitted audited income and expenditure account and balance sheet for the years ended 31.03.2023, 31.03.2024 and 31.03.2025. It is seen therefrom that the appellant had spent Rs.5,40,000/- for medical relief, Rs.22,000/- for Goushala donation

expenses in the FY.2022-23. The appellant had incurred Rs.18,00,000/- towards medical relief in FY.2023-24, and Rs.81,000/- for educational expenses, Rs.12,78,000/- for medical relief and Rs.31,00,000/- for Goushala donation expenses in the FY.2024-25. It is, therefore, clear that the assessee-trust has not incurred any expenses on religious activities. Therefore, the threshold limit of 5% as specified in section 80G(5B) of the Act has not been violated. In view of the above, the order of CIT(E) is set aside.

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

Order is pronounced under provision of Rule 34 of ITAT Rules, 1963 on 21/07/2025.

Sd/-  
(SUCHITRA R. KAMBLE)  
JUDICIAL MEMBER

Sd/-  
(BIJAYANANDA PRUSETH)  
ACCOUNTANT MEMBER

Surat  
दिनांक/ Date: 21/07/2025  
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

By Order

**// TRUE COPY //**

Assistant Registrar/Sr. PS/PS  
ITAT, Surat