

**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER
आयकर अपील सं./ITA Nos. 848 & 849/RJT/2024**

Shri Sajisavai Moxdham Seva Trust-Amreli, Savarkundla, Amreli	Vs.	The CIT (Exemption), Ahmedabad
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: ABBTS9964K		
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

निर्धारितकीओरसे/Assessee by

: Shri D.M. Rindani, AR

राजस्वकीओरसे/Revenue by

: Shri Praveen Verma, CIT-DR

सुनवाईकीतारीख/ Date of Hearing

: 25/06/2025

घोषणाकीतारीख/Date of Pronouncement

: 19/08/2025

आदेश/ORDER

PER DINESH MOHAN SINHA, JM:

Captioned appeals filed by the Assessee, are directed against the order passed by the Learned Commissioner of Income Tax (Exemption), Ahmedabad, (in short 'the Ld. CIT(E)'), dated 30.8.2024 under section 12A(1)(ac) of the Income Tax Act, 1961 (in short, 'the Act').

2. The Grounds of appeals raised by the assessee are as follows:

ITA No. 848/Rjt/2024

"1. The CIT (Exemption) erred in rejecting the application filed by the assessee in Form 10AB u/s 12AB of the Act on the ground that the objects of the

Appellant trust are restricted to the benefit of a particular religious community or caste and not for public at large.

2. *The CIT (Exemption) Ahmedabad further erred in cancelling the provisional registration granted to assessee in Form 10AC u/s 12A(1)(ac) (vi) of the Act.*

Relief claimed in appeal:

It is prayed that the CIT (Exemption) be directed to grant registration u/s 12AB of the Act to the assessee-applicant considering the intent of the Act read with the objects of the assessee-applicant alongwith merits of the case.

4. *The appellant craves leave to add, amend, alter or withdraw all or any ground of appeal at any time upto the date of hearing of the appeal.”*

ITA No. 849/Rjt/2024

“1. The CIT (Exemption) Ahmedabad erred in rejecting the application filed by the assessee in Form 10AB u/s 80G(5) of the Act without going into merits.

Relief claimed in appeal:

It is prayed that the CIT (Exemption) Ahmedabad be directed to grant registration u/s 80G(5) of the Act to the assessee-applicant considering the intent of the Act read with the objects of the assessee-applicant along with merits of the case.

3. *The appellant craves leave to add, amend, alter or withdraw all or any ground of appeal at any time up to the date of hearing of the appeal.”*

3. That the assessee Sajisavai Moxdham Seva Trust Amreli, is registered as trust located at village Amreli in taluka and district Amreli, Gujarat, runs a crematorium where dead bodies are buried. In addition, trust does other social activities such as plants trees and takes care for the same, organise blood donation camps for helping needy people etc.. The assessee has applied for registration of the trust u/s. 12AB of the I.T. Act, 1961 on 03-02-2024. Notice was issued to the assessee on 11-06-2024 asking the applicant to submit certain documents and details in respect of trust. In respect to this notice, the applicant has filed certain details that again show cause notice issued on 24-07-2024 asking the assessee to furnish the details in respect of work operation for the benefit of the members of Sajisavai Sampraday and not for the benefit of public at large and further notice speaks that the object

of the trust at sl. nos. 7, 9, 15, 16, 17 and 19 are charitable in nature and restricted for the benefit of public at large. Thus, notice remained un-complied with.

4. That the assessee filed an appeal against the impugned order passed by CIT(E) dated 30-08-2024. The CIT(E) observed that the objects of assessee of assessee are not as per the scheme of provisions provided under section Income Tax Act, 1961. Therefore, the activities of assessee cannot be said to be genuine and in accordance with Income Tax Act, 1961. Therefore, the Id. CIT(E) has dismissed the appeal of the assessee by observing as under:-

“DECISION:

7. as the applicant has opt to remain silent towards the show-cause notice dated 24.07.2024, the present case is required to be decided based on material available on record. Hence, on perusal of the object of the applicant as stipulated in the 'constitution' of the trust, it is observed that the objects which are charitable in nature are found to be confined to the benefit of a particular religious community or caste i.e. sajisaval sampraday (sect.) The object under dispute is reproduced as under.

1. Assisting crematoriums owned by the Government, Municipal Corporation. Municipalities or Panchayats to build, construct, settle and operate and maintain crematoriums. This assistance includes construction, gardening, fuel (wood) for cremation, bath house and water for it, sitting room for scars, dharmarath (mechanical vehicle) for bringing dead body to crematorium. Assisting in the burial of people of the Saji Sawal Sect. To install modem mechanical equipment useful in the crematorium, to purchase land in the name of the organization for burial, creating special schemes like funeral procession, Dharmarath. If helping him and taking donations for him, collecting funds. Providing material related to the needy mand to reach the first destination.

7. To organize the Saji Sawai Sampraday more and more and work to expose the whole society. To work in all ways for the evils and customs in the society from the whole overall development of women and people and to be helpful.

9. Helping and providing facilities to the needy and economically weak people of the Saji Sawal sect.

15. To help the people in need of Saji Sawal Samprad for medicine and treatment coat on the occasion of their illness as well as hospitals for the treatment of

special types of diseases, if the financial condition of the organization in the institutions providing all the necessary treatment in the event that the society can benefit at the time of need. Kindly arrange.

16. Conducting all kinds of medical activities and providing medical assistance to improve the health of the people of Saji Sawal sect and providing all information related to it, doing activities and supporting organizations besides making people aware to give.

17. Will make appropriate arrangements for governmental and other assistance and all necessary activities related to it to support the widows, poor, abandoned and needy sisters of the Saji Sawal sect. Schemes promoting girl child education can be implemented."

On plain reading of the above object it is evident that the above referred objects which are charitable in nature are confined to the benefit of particular religious community or caste i.e. sajisawai sampraday (sect.) and not for the benefit of the public at large."

5. Now, the assessee is in appeal before us.

6. During the course of argument, the ld. A.R. submitted that the assessee has replied to the notice on 26th June, 2024 which is placed on record along with documentary in paper book from page nos. 25 to 99. During the course of argument, the assessee submitted a note which runs as under:

"NOTE

Appeal is filed against order of the Learned CIT (Exemption), Ahmedabad rejecting the application for registration of the Appellant u/s 12AB of the Act for the reason that the appellant is established for the benefit of a particular religious community or caste i.e. Sajisavai Sampraday. Hence, it is hit by provisions of sec. 12AB(4) and not entitled for registration u/s 12A(1)(ac)(iii) of the Act.

"(1) The objects of the trust are not restricted only Sajisavai Sampraday but it is also for general public at large (Paperbook pages 30-62). At the beginning of the objects, it has been specifically mentioned that the trust will act without discrimination of caste (Paperbook Page 30, 41). Thus, it is patent on plain reading of the objects clause of the Trust Deed that it is not 'created or established for the benefit of any particular religious community or caste only but it also established for the benefit of general public at large. Thus, it cannot be

said that the trust is 'created or established for the benefit of any particular religious community or caste.

(2) Further, provisions of Sec. 13(1)(b) as to trust's objects being limited to benefitting a specific religious community or caste, can be invoked/attracted only at the time of assessment and not at the time of grant of registration u/s 12A of the Act (1) Jamiatul Banaat Tankaria (2024) 168 taxmann.com 35 (Gujarat HC) and (2) Shri Sachay Mataji Mandir Vikas Trust (2024) 165 taxmann.com 306 (Rajkot Tribunal).

(3) Further, even if it is treated as established for the benefit of particular religion i.e. Sajisavai Sampraday, then also a section of public is as good as public at large, hence registration cannot be denied (1) Hiralal Bahgwati (2000) 246 ITR 188 (Gujarat HC) and (2) Ahmedabad Rana Caste Association 140 ITR 1 (SC).

(4) Further, the CIT (Exemption) has denied the registration u/s 12AB to the Appellant-trust by invoking Sec. 12AB(4)(d) of the Act. It may be noted that Sec. 12AB(4), Expl.(d) states that where registration or provisional registration has been granted and subsequently the trust or institution established or charitable purpose created or established after the commencement of this Act, has applied any part of its income for the benefit of any particular religious community or caste, then it would be considered as one or more specified violations as per sub-clause (a) of 12AB(4) of the Act read with Expl. (d). In case of Appellant, there is no finding of the CIT (Exemption) in particular as to whether the Appellant has applied any part of its income for the benefit of any particular religious community or caste.

In light of above submissions, it is prayed that registration u/s 12AB of the Act as sought for by the Appellant be granted to it.

This issue may not be set aside because CIT (Exemption) has passed a speaking order on merits.”

7. The Id. D.R. relied upon the order of the Id. CIT(E) and further submitted that the assessee not responded to the notice dated 24-07-2022 whereby the applicant was asked to clarify that the work operation is for the benefit of public at large and also asked to reply on some objects are charitable in nature only for the benefit of members only.

8. We have heard the arguments of both the sides and perused the materials available on record such as paper book and written note submitted by the Id. A.R. The order of the Id. CIT(E) says that the assessee was committed specified violation under clause (d) of section 12AB(4) of the Income Tax

Act. The objects of the applicant are not as per scheme of provisions provided under Income Tax Act, therefore, the activities cannot be said to be gunnie and in accordance with provisions of law. We note that the trustee is registered with the Charity Commissioner since 03-07-2021 vide No. Certificate of Registration No. 8126. We perused the note furnished by the A.R. where it was specifically mentioned that the trust will act without distinction of caste and trust is not created or established for the benefit of particular religious community or caste only but it is to be established for the benefit of general public at large. Further, section 13(1)(b) as the trust object is limited to benefiting specified religious community or caste can only be invoked at the time of association and not at the time of registration. The application also submitted that benefit of particular religion is also a section of public and the kind attention is drawn towards judgment delivered by the Gujarat High Court in case of Hiralal Bahgwati (2000) 246 ITR 188 and Ahmedabad Rana Caste Association 140 ITR 1 (SC). The assessee has placed on record the documentary evidences such as trust deed in Gujarati and English version also, copy of audited accounts for A.Y. 2022-23 and 2023-24, copy of Form 9A for A.Y. 2023-24, copy of donations received by the trust for A.Y. 2022-23 & 2023-24 etc. The assessee filed trust deed wherein the objectives of the organization to act without distinction of caste or creed as follows:-

“1. Assisting crematoriums owned by the Government, Municipal Corporation. Municipalities or Panchayats to build, construct, settle and operate and maintain crematoriums. This assistance Includes construction, gardening, fuel (wood) for cremation, bath house and water for it, sitting room for scars, dharmarath (mechanical vehicle) for bringing dead body to crematorium. Assisting in the burial of people of the Saji Sawal Sect. to install modern in the mechanical equipment useful crematorium, to purchase land in the name of the organization for burial, creating special schemes like funeral procession, Dharmarath. If

helping him and taking donations for him, collecting funds. Providing material related to the needy mand to reach the first destination.

2. To make all kinds of arrangements for the needy people and the public, if necessary, along with other charitable organizations, to provide adequate facilities for the last rites of the human body. Such as buying, housing, operating and hiring motor vehicles like hearses, hearses and keeping them in a safe place. Facilitation for such things as purchase and leasing of land and help other institutions to perform such functions.

3. Freeships, scholarships, prizes, book support etc. will be conducted for the knowledge hungry students. Will establish, run or maintain reading rooms, laboratories for students.

4. To protect the health of the people, make all the necessary arrangements including diagnostic camps. blood donation camps. to meet the patients through medical experts for disease prevention. dispensaries, centers, medicine, For which dispensaries, hospitals, server mobile manufacturing treatment vehicles. facilities, laboratories can be started, run and maintained.

5. Economically will help the weak patient as well as help the helpless patients with necessary medicines, fruits and food. Ambulances will be deployed to arrange for ambulances to take patients for treatment.

6. Will make all possible efforts to be useful and helpful to the society during calamities like drought, heavy rains, earthquakes, epidemics etc. or will help in this work himself.

7. To organize the Saji Sawai Sampraday more and more and work to expose the evils and customs in the society from the whole society. To work in all ways for the overall development of women and people and to be helpful.

8. In case of or Will undertake health related activities. accidents natural calamities or epidemics, efforts will be prompt made to assistance provide and assistance medical to the physically and mentally challenged. It will help to provide expensive medicines that are deemed necessary for weak patients. financially Ambulances will be deployed to arrange for ambulances to take the required patients to higher levels of treatment.

9. Helping and providing facilities to the needy and economically weak people of the Saji Sawaisect.

10. Helping the guest houses in every way wherever possible for the convenience of the community coming from the countryside for work and occasional visits to different villages and also for the accommodation and meals etc. of the relatives

of the patients admitted to the hospital. Also to purchase and maintain properties in such guest houses for creating facilities requirements of the time existing and possible. as per the as per the

11. All things like social society to develop a sense make reform of the people work collectively, to organize programs that increase the mutual acquaintance of the people of the society, to do things that give a new vision to the society, to of mutual benefit to each other in the society. to make efforts that every family stays in touch with each other. To organize group meals, gatherings, gatherings etc. and different types of social events so that those living in different places can come closer to each other and to increase the feeling of brotherhood within. If this type of planning is being done, help in all ways by giving support.

12. To create simple systems for the society by eliminating the Kurdsand Kurivasin of the community coming from countryside for work and occasional visits to different villages and also for the accommodation and meals etc. of the relatives of the patients admitted to the hospital. Also to purchase and maintain properties in such guest houses for creating facilities as per the requirements of the time as per the existing and possible.

13. To make new idols of Sanatan Devi and to encourage the construction of new religious shrines. Shivalayas Organizing meditation temples and meditation yoga camps for seekers.

14. Organizing hygiene campaigns, delivering immunizations. injections, medicines etc. for health awareness or assisting other organizations in such planning.

15. To help the people in need of Saji Sawai Samprad for medicine and treatment coat on the occasion of their illness as well as hospitals for the treatment of special types of diseases, if the financial condition of the organization in the institutions providing all the necessary treatment in the event that the society can benefit at the time of need. Kindly arrange.

16. Conducting all kinds of medical activities and providing medical assistance to improve the health of the people of Saji Sawai sect and providing all information related to it, doing activities and supporting organizations besides making people aware to give vaccination to young children and adults at the right time.

17. Will make appropriate arrangements for governmental and other assistance and all necessary activities related to it to support the widows, poor, abandoned and needy sisters of the Saji Sawal sect. Schemes promoting girl child education can be implemented.

18. Helping needy individuals, families organizations or encouraging helping service organizations on of calamities natural occasion floods, storms, heavy epidemics. or such the like epidemics, droughts. earthquakes, rains, global

19. To construct, run or help the people of Saji Sawai sect useful rest houses, guest houses, auditoriums women etc. Conducting development, women's association, housewife training camp and related activities. women development useful Doing socially activities like canteens, relief kitchens, food donation, clothing donation etc.”

In conclusion, we are of the opinion that the registration of the trust should not be denied on account of non-compliance of the notice dated 24-07-2024. We note that there was compliance of the notice dated 26.06.2024 reply placed on record. We have considered the rival argument made by both the sides and perused the order of the Ld.CIT(E) and also perused the paper book filed by the assessee. We have also considered the various decision cited before us. We find that Ld.CIT(E) in this case has rejected the application filed in Form 10AB u/s. 12A(1)(ac)(iii) of the Act, on the ground that the assessee trust is composite trust i.e., charitable as well as religion trust and it referred to charitable object is to the benefit of a particular religious community i.e., Saji Sajisavai which is a specified violation u/s.(d) below explanation to section 12AB(4) of the Income Tax Act, 1961 and that object of the assessee are not as per the scheme of the provisions provided in the Income Tax Act 1961. We observed that the assessee is not religious trust at all, and the assessee Trust do not connected with particular religious community. That the assessee further submitted that the assessee trust is not for the particular ‘SECT’, it is open for everyone irrespective of Religion Cast & Creed. That the trust is located at Svarkundla, Amreli taluka, Dist. Amreli and running a crematorium for the society, where dead body are buried. We further observed that object of the trust is for general public and

is created or established for the benefit of all. Therefore, the order of Ld.CIT(E) cannot be sustained in the eye of Law, and the Ld.CIT(E) has also not made any specific allegation on the assessee for being religious trust. There is no finding of the Ld.CIT(E) in particular as to whether the appellant has utilized any part of the income for any particular community or cast. In these circumstances, the rejection of the application is not correct and we hold that the assessee is entitled for the registration, the assessee trust fulfilled all the condition as specified in the law. The Ld.CIT(E) is hereby directed to consider the application of the assessee and passed a judicious order, after giving due opportunity to the assessee.

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

ITA No. 849/Rjt/2024

10. ITA No. 849/Rjt/2024 for registration u/s. 80G(5) on the same is also to be disposed of in above terms.

11. In the combined result, both the appeals of the assessee are allowed for statistical purposes.

Order pronounced in the open court on 19-09-2025

Sd/-
(A. L. SAINI)
ACCOUNTANT MEMBER
Rajkot
Dated: 19/09/2025

Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Rajkot
6. Guard file.

By order/आदेश से,

Assistant Registrar
ITAT, Rajkot