

आयकर अपीलिय अधिकरण, अहमदाबाद न्यायपीठ 'C' अहमदाबाद।
**IN THE INCOME TAX APPELLATE TRIBUNAL
"C" BENCH, AHMEDABAD**

**BEFORE MS. SUCHITRA R. KAMBLE, JUDICIAL MEMBER
AND
MAKARAND V.MAHADEOKAR, ACCOUNTANT MEMBER**

ITA No.441/Ahd/2025

Asstt.Year : -

Shree Karadiya Rajput Samaj Baghi, C/o. Sarda & Sarda (CA) Sakar 1 st Floor Dr. Radha-Krishnan Road Opp: Rajkumar College Rajkot. PAN : AATTS 3326 A	Vs.	The CIT(Exemption) Vejalpur Ahmedabad.
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(Applicant)	(Responent)
Assessee by :	Shri Vimal Desai, AR
Revenue by :	Shri Rignesh Das, CIT-DR

सुनवाई की तारीख / **Date of Hearing** : 15/10/2025
घोषणा की तारीख / **Date of Pronouncement**: 16/10/2025

आदेश / O R D E R

PER MAKARAND V.MAHADEOKAR, AM:

This appeal by the assessee is directed against the order passed by the Commissioner of Income Tax (Exemption), Ahmedabad [hereinafter referred to as "the CIT(E)"] dated 28.12.2024, rejecting the assessee's application filed in Form No. 10AB for grant of registration under section 12A(1)(ac)(iii) of the Act and also cancelled the provisional registration earlier granted in Form No. 10AC under section 12A(1)(ac)(vi).

2. Facts of the Case:

2. The assessee is a public charitable trust registered with the office of the Charity Commissioner, Rajkot, vide Registration No. A/3411/Rajkot dated 10.05.2017. The trust filed an online application in Form No. 10AB

on 29.06.2024, seeking regular registration under section 12A(1)(ac)(iii) of the Income-tax Act, 1961, consequent to the expiry of its provisional registration granted earlier in Form No. 10AC dated 28.04.2023 under section 12A(1)(ac)(vi), which was valid from Assessment Year 2024–25.

On examination of the translated trust deed/MOA furnished by the assessee, the learned CIT(E) noted that the objects of the trust specifically referred to “Karadiya Rajput Samaj” as the target beneficiary. The CIT(E) recorded that, “From the copy of translation of trust deed/MOA filed by you, it is observed that the objects of the Trust mentioned are for the benefit of a particular religious community or caste i.e. ‘Karadiya Rajput Samaj’.” In the opinion of the CIT(E), the activities of such a trust, whose benefits are confined to a specific caste or community, do not qualify as charitable within the meaning of section 2(15) of the Act, as the benefit is not for the public at large.

2.1 Based on the aforesaid observation, a show-cause notice dated 22.12.2024 was issued to the assessee calling upon it to explain why the application under section 12A(1)(ac)(iii) should not be rejected and the provisional registration cancelled, having regard to clause (d) of the Explanation to section 12AB(4) which treats as a “specified violation” the application of income for the benefit of any particular religious community or caste. The assessee was also asked to furnish evidence that no expenditure had been incurred for the benefit of any particular community.

2.2 The assessee filed a reply on 24.12.2024, submitting that the trust was engaged in activities of charitable nature and that its benefits were not restricted to any one caste or religion. It was stated that the mention of “Karadiya Rajput Samaj” in the trust deed was merely historical and that, in actual functioning, the trust was rendering assistance for education, relief to poor, and social welfare generally available to all persons irrespective of caste or creed. However, according to the CIT(E), the assessee did not produce any corroborative evidence or activity report to substantiate these claims.

2.3 The CIT(E) therefore held that the case involved a specified violation within the meaning of clause (d) of the Explanation below section 12AB(4), as the trust's income and property appeared to be applied for the benefit of a particular religious community or caste. On this basis, he held that the provisional registration earlier granted under section 12A(1)(ac)(vi) was liable to be cancelled and the application for regular registration under section 12A(1)(ac)(iii) deserved to be rejected.

2.4 Aggrieved by the order of CIT(E), the assessee is in appeal before us raising following grounds:

1. *The order passed under Section 12AB(1)(b)(ii) of the Act is bad in law.*
2. *The learned CIT (Exemption) has erred in law as well as on facts in rejecting the application for registration u/s 12A(1)(ac)(iii) of the Act.*

3. The learned Authorised Representative (AR) appearing for the assessee submitted that the objects of the trust have already been amended so as to remove any reference limiting the benefits to a particular caste or community. It was pointed out that an application for approval of the amended trust deed has been duly filed before the office of the Charity Commissioner, Rajkot. The AR placed the copy of the Change Report submitted before Charity Commissioner, Rajkot along with changed objects.

3.1 The AR further cited the decision of the ITAT, Rajkot Bench, in Shree Nani Khakhhar Rajput Kshatriya Samaj Seva Trust (ITA No. 40/RJT/2025), wherein, on similar facts, the Tribunal directed the CIT(E) to grant registration after verifying the amended trust deed and activities.

3.2 It was further submitted that on identical facts, the same CIT(Exemption), Ahmedabad had granted registration under section 12A(1)(ac) to Shree Kshatriya Rajput Samaj Trust vide order dated 25.12.2024, subject to the condition that the assessee should not undertake activities relating to the community objects until their amendment was approved by the Charity Commissioner. The AR specifically referred to the operative portion of that order, wherein the CIT(E) had

directed that “after amendment in the trust deed, the assessee shall file a copy of the amended objects with this office, and delay in obtaining approval from the Charity Commissioner shall not be viewed adversely.” The AR contended that the CIT(E) has adopted an inconsistent approach by granting registration in one case on similar facts and rejecting the present application without assigning any distinguishing reason.

3.3 Based on these submissions, the AR urged that the matter be restored to the file of the CIT(Exemption) for fresh consideration in light of the trust’s amended objects and consistent judicial view.

4. The learned Departmental Representative (DR), on the other hand, strongly supported the order passed by the learned CIT(E). He submitted that the CIT(E) had examined the trust deed in detail and found that the objects were explicitly confined to the benefit of a particular caste, namely Karadiya Rajput Samaj.

5. We have carefully considered the rival submissions, perused the order passed by the learned CIT(Exemption), and examined the material placed on record. It is evident that the rejection of the assessee’s application for registration under section 12A(1)(ac)(iii) of the Act and the consequential cancellation of the provisional registration granted under section 12A(1)(ac)(vi) were primarily based on the reasoning that the objects of the trust, as contained in the trust deed, were confined to the benefit of a particular caste, namely *Karadiya Rajput Samaj*, and hence could not be regarded as charitable for the benefit of the general public.

5.1 From the material placed before us, it is observed that the assessee has now produced a copy of the Change Report filed before the Charity Commissioner, Rajkot, along with the amended trust deed reflecting modification of its objects so as to remove the reference restricting benefits to a particular caste and to expressly state that the activities and benefits of the trust shall extend to all persons irrespective of caste, creed, or religion. It is an undisputed position that this amended deed was not before

the learned CIT(Exemption) at the time of passing the impugned order. The learned Authorised Representative (AR) has submitted that the amendment application has been duly lodged and is pending before the Charity Commissioner for approval.

5.2 The AR contended that since the charitable character of the trust has now been expressly clarified through the amended objects, the same ought to be considered while deciding the question of registration. He further relied on the decision of the ITAT, Rajkot Bench, in Shree Nani Khakhhar Rajput Kshatriya Samaj Seva Trust (ITA No. 40/RJT/2025), wherein, on similar facts, the Tribunal had directed the CIT(Exemption) to grant registration after verifying the amended trust deed and the activities of the assessee. Following the said precedent, the AR urged that the Tribunal may similarly direct the learned CIT(E) to issue registration after due verification of the amended deed and activities.

5.3 On perusal of the impugned order, it is apparent that the CIT(E) did not verify or examine the assessee's actual activities or financial records to determine whether, in practice, the trust had applied its income for the benefit of a particular caste or religious community. The audited financial statements and the audit report in Form No. 10BB, which were admittedly filed before the CIT(E), have not been analysed or discussed in the order. Before concluding that there was a violation falling within clause (d) of the Explanation below section 12AB(4), the CIT(E) was required to record a clear finding based on factual verification that the income or property of the trust was so applied. The absence of such finding renders the order factually incomplete.

5.4 We also note the contention of the learned AR that the same CIT(E), Ahmedabad, on identical facts, had granted registration under section 12A(1)(ac) to Shree Kshatriya Rajput Samaj Trust vide order dated 25.12.2024, subject to a condition that the assessee shall not undertake activities relating to community-based objects until approval of the amended deed by the Charity Commissioner. In the present case, the CIT(E)

has adopted a different approach without any distinguishing reasoning, resulting in inconsistency in the application of the law.

5.5 Having regard to the facts and the judicial precedent relied upon, we are of the considered view that the impugned order suffers from lack of factual verification and non-consideration of subsequent developments, including the amendment to the trust deed. Therefore, in the interest of substantial justice, the matter is required to be restored to the file of the learned CIT(Exemption) for fresh adjudication.

5.6 The learned CIT(Exemption) shall, while re-adjudicating the matter, verify—(i) whether the amended trust deed filed before the Charity Commissioner, Rajkot, has been duly approved or remains pending for approval; (ii) whether the activities of the trust, as reflected in its audited financial statements and audit report in Form No. 10BB, are in conformity with the charitable purposes defined under section 2(15) of the Act; and (iii) whether any expenditure has, in fact, been incurred for the benefit of a particular community or caste.

5.7 Upon such verification, the CIT(Exemption) shall pass a reasoned and speaking order in accordance with law after granting the assessee a reasonable opportunity of being heard. In doing so, the CIT(Exemption) may, having regard to the decision of the Hon'ble ITAT, Rajkot Bench in Shree Nani Khakhhar Rajput Kshatriya Samaj Seva Trust (ITA No. 40/RJT/2025), consider granting conditional registration under section 12A(1)(ac), subject to appropriate safeguards—such as restraining the assessee from undertaking activities linked to community-specific objects until the amended deed is formally approved by the Charity Commissioner and filed before the department.

5.8 Such conditional approval, if granted, shall be consistent with the approach adopted in similar cases and will safeguard the revenue's interest while ensuring that bona fide charitable institutions are not denied

registration merely on account of pending procedural approval of amended objects.

5.9 We make it clear that we have not expressed any opinion on the merits of the claim. All issues are left open for determination by the learned CIT(Exemption).

Accordingly, the impugned order is set aside, and the matter is restored to the file of the CIT(Exemption) for *de novo* consideration in accordance with law.

6. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the Court on 16th October, 2025 at Ahmedabad.

Sd/-
(SUCHITRA R. KAMBLE)
JUDICIAL MEMBER

Sd/-
(MAKARAND V. MAHADEOKAR)
ACCOUNTANT MEMBER

Ahmedabad, dated 16/10/2025

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