

**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.74/SRT/2025

Assessment Year: (2025-26)

(Hybrid Hearing)

Shree Brahmajyoti Sanskar Dham Trust, 9, Gopal Krushna Society, Behind Arihant Park, Ambika Niketan, Athwalines, Surat – 395007, Gujarat	Vs.	CIT (Exemption), Ahmedabad
स्थायीलेखासं./जी आइ आरसं./PAN/GIR No: AAWTS9225R		
(Appellant)		(Respondent)

Appellant by	Shri Hiren Vepari, CA
Respondent by	Shri Ravi Kant Gupta, CIT-DR
Date of Hearing	19/08/2025
Date of Pronouncement	31/10/2025

आदेश / ORDER

PER BIJAYANANDA PRUSETH, AM:

This appeal by assessee emanates from the order dated 27.11.2024, passed by the learned Commissioner of Income-tax (Exemption), Ahmedabad [in short, 'Id. CIT(E)'], wherein the Id. 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) On the facts and circumstances of the case and as per law, the learned CIT(Exemption) was not justified in rejecting the application u/s 80G.

(2) With no religious object and evidently, no religious activities undertaken, the learned CIT(Exemption) was driven by extraneous considerations in rejecting the application u/s 80G.

(3) The above grounds are prejudiced to one another.

(4) The appellant craves leave to add, alter or vary any of the grounds of appeal.”

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 Id. CIT(E) issued notices on 13.08.2024, 01.10.2024 and 01.11.2024. He has discussed legal background of Rule 11AA(1), 11AA(2) along with sections 2(15) and 80G(5) of the Act. He noted that the date of application for registration for approval in Form No.10AB was 11.05.2024 and the date of provisional approval was 08.02.2022 for the period from 08.02.2022 to AY 2024-25. The Id. CIT(E) examined the object Nos. 6 and 10 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 charitable in nature as per section 80G(5) of the Act. He also requested to applicant to furnish complete details of religious expenditure made towards the objects of trust in past 3 years. The appellant had neither filed any submission nor filed any adjournment. He observed that the said objectives of the instrument are religious in nature, which put the applicant under the category of composite trust, i.e., religious-cum-charitable trust. He held that the said object is religious in nature involving activities like Updesh, Satsang, Katha by sant Mahatma etc., and it clearly contravenes main condition of section 80G(5) of the Act. The 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 is no 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 upon the decisions 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 130 pages, including copy of Form 10AC granting provisional registration u/s 12AB, copy of provisional registration certificate in Form 10AC (80G), copy of application made in Form 10AB for regular registration u/s 80G(5), notice dated 13.08.2024, copy of self-certified trust deed in English translation, copies of audit report of last 3 years, show cause notice u/s 80G(5)(iii) and various decision (vide PB 70 to 130). He also submitted that the documents were also provided before the Id. CIT(E). However, the Id. CIT(E) has passed an ex parte order. The Id. AR submitted that out of 15 objects, only 2 objects are religious. If they are

held to be religious, 13 out of 15 objects are charitable and evidently, no religious activities were undertaken, nor had there been any finding or an allegation in the order rejecting u/s 80G(5) of the Act. Apart from the objects Nos. 6 and 10, all other objects are charitable objects of the trust and it does not categorize the trust as one with religious objects. These objects are progressive and are intended to be undertaken for pursuing betterment of life and morality. He submitted that the trust had not incurred any expenses of religious nature in past 3 years. He relied upon the decision in cases of Shree Sattavis Kadva Patidar Pragati Mandal vs. CIT(E), ITA No.414/Ahd/2023, (ii) Shri Yamunaji Mandir Trust, 46 ITR 283 (Trib) 53, (iii) M/s Maharaja Aggarsain Charitable Trust vs. CIT(E), ITA No.1073/Chd/2016 wherein it was held that the trusts even with mixed objects and religious expenditure below 5% of total income were held to be eligible for registration u/s 80G(5) of the Act.

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 object Nos.6 and 10 of the trust deed. The Id. AR has submitted audited income and expenditure account and balance sheet for the years ended 31.03.2021, 31.03.2022 and 31.03.2023. The Id. AR submitted the audited annual accounts and audit report for financial years (FYs) 2021-22, 2022-23 and 2023-24 and submitted that there was no expenditure of religious nature incurred by the assessee-trust

for last 3 years. We find that the Id. CIT(E) rejected the application for approval because the appellant did not reply to the show-cause notice. The Id. AR submitted that the appellant is ready with all details and would submit any other details, which the Id. CIT(E) may require to decide the matter. The Id. CIT-DR has not objection if the matter is set aside to the file of Id. CIT(E). After hearing both sides, in the interests of justice, we set aside the order of Id. CIT(E) and restore the matter to the file of Id. CIT(E) for fresh order after giving reasonable and adequate opportunity of hearing to the appellant. The appellant is also directed to file all details and documents by not seeking adjournment without valid reasons. Accordingly, the appeal of the appellant is allowed for statistical purposes.

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

Order is pronounced under provision of Rule 34 of ITAT Rules, 1963 on 31/10/2025.

Sd/-
(SUCHITRA R. KAMBLE)
JUDICIAL MEMBER

Surat

दिनांक/ Date: 31/10/2025

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

Sd/-
(BIJAYANANDA PRUSETH)
ACCOUNTANT MEMBER

By Order

// TRUE COPY //

Assistant Registrar/Sr. PS/PS
ITAT, Surat