

आयकर अपीलीय अधिकरण "बी" न्यायपीठ पुणे में ।
IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH, PUNE

BEFORE SHRI R.K. PANDA, VICE PRESIDENT
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER

आयकर अपील सं. / ITA Nos.2612 & 2613/PUN/2024

The Jain Kasar Samaj Sanstha, Savali Shivaji Housing Society, Near Sugar Factory, Miraj, Sangli-416410 PAN : AAETT0727H	Vs.	The CIT (Exemption), Pune
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

Assessee by :	N O N E
Department by :	Shri Udaya Bhaskar Jakke
Date of hearing :	12-11-2025
Date of Pronouncement :	27-11-2025

आदेश / ORDER

PER ASTHA CHANDRA, JM :

The above two appeals filed by the assessee are directed against the separate orders both dated 25.09.2024 of the Ld. Commissioner of Income Tax (Exemption), Pune ("**CIT(E)**") rejecting the application(s) for grant of registration u/s 12A and approval u/s 80G of the Income Tax Act, 1961 (**the "Act"**). For the sake of convenience, both these appeals were heard together and are being disposed of by this common order.

2. The matter was called for hearing on 06.05.2025, 30.07.2025, 09.08.2025, 01.10.2025 and 12.11.2025. None appeared for and/or on behalf of the assessee on any of the above date(s) of hearing. However, the Ld. DR was present on all these dates. We, therefore, proceed to decide the appeal(s) with the assistance of Ld. DR.

3. In ITA No. 2612/PUN/2024 there is a delay of 11 days in filing of this appeal before the Tribunal for which the assessee has filed an application for condonation of delay along with affidavit explaining the reasons for such delay. On perusal of the same, we are satisfied that the delay in filing of appeal is not intentional or deliberate but has occurred for the reasons mentioned in the affidavit and thus attributable to the sufficient cause. We, therefore, in light of the decisions of the Hon'ble

Supreme Court in the case of *Collector, Land Acquisition vs. Mst. Katiji & Ors. (1987) 167 ITR 471 (SC)* and in the case of *Inder Singh Vs. The State of Madhya Pradesh* reported in 2025 LiveLaw (SC) 339, condone the said delay and proceed to decide the appeal.

4. In ITA No.2612/PUN/2024, the assessee has challenged the order of the Ld. CIT (E) in rejecting the application for registration u/s 12A of the Act while ITA No.2613/PUN/2024 relates to the order of the Ld. CIT(E) in denying the approval u/s 80G of the Act.

5. Facts of the case in ITA No.2612/PUN/2024, in brief, are that the assessee filed an application in Form No.10AB on 23.03.2024 for registration of the trust under clause (iii) of section 12A(1)(ac) of the Act. With a view to verify the genuineness of the activities of the assessee and compliance to requirements of any other law for the time being in force by the trust/institution as are material for the purpose of achieving its objects, a notice was issued through ITBA portal on 18.05.2024 requesting the assessee to upload certain information/clarification contained therein by 03.06.2024. The Ld. CIT(E) while going through the details submitted and documents filed by the assessee found certain discrepancies for which he issued a show cause notice on 06.08.2024 requesting the assessee for necessary compliance by 13.08.2024. The said discrepancies recorded by the Ld. CIT(E) in para 4 of the impugned order is reproduced below:

"(1) The note on activities submitted by you is very general in nature. Further you have not given any specific details of what actual activities were carried out, who were the beneficiaries, where the activity was carried out. As per the provisions of Rule 17A(2)(k) of the Income Tax Rules, 1962, the application in Form No.10AB shall be accompanied by note on activities giving details of activities actually carried out but you have failed to comply with those provisions. You ought to have been submit the details of actual activities carried out in the last 3 years. Further, the supporting evidence of the activities actually carried out is also not submitted. In absence of any such tangible material in respect of details and proof of activities being carried out, it is not possible to ascertain as to whether the activities are charitable and in line with the objects of the trust/institution.

(ii) You have submitted ledger account of donation receipts. You have specifically requested to furnish year-wise list of all donations received (including corpus donations etc.) during the last 3 years / since inception, whichever is later viz. name of donor, address of donor, amount of donation, mode of donation etc. vide initial notice. You have not furnished the details as required in above format. Please furnish the same.

(iii) There is addition to corpus/trust funds in FY 2022-23. Sources of the same, if by way of donations, please furnish details of donors i.e. full name and address of donor/PAN/date and mode of donation, amount,

receipt no. issued, copies of donation receipts and specific directions from donors.

(iv) Furnish copies of bill/invoices of expenses done on activities as shown in your financial statement.

(v) It is seen that some of the objects of the trust are for the benefit of a particular community viz Jain Kasar community and not for the people at large."

5.1 The assessee furnished its reply to the above discrepancies on 19.08.2024. After considering the submissions of the assessee, the Ld. CIT(E) proceeded to pass the impugned order rejecting the application of the assessee and also cancelling the provisional registration granted earlier by observing as under :

"6. The assessee responded to the said notice on 19/08/2024. It has been observed that majority of the objects and the activities are aimed at extending benefits only to a specific community viz "Jain Kasar Samaj" and not for the people at large. the same is specifically mentioned in its reply that the development and progress of this particular cast as its primary objects. It is seen that the trust has done very minimal charitable activity. Though the trust deed speaks of numerous charitable objects, hardly any of them have been carried out. No credible evidence like bills/vouchers to prove the activities in accordance with the objects has been submitted. The bills / vouchers submitted are mostly related to printing of monthly magazines for the Jain Kasar Samaj community only. No bills related to expenses made on any charitable activities is on record. It is also seen through the bills/invoices that the trust is conducting community weddings and providing matrimonial services to the community members. There are certain bills cryptic in the name of clothes. It is to note here that the assessee trust had made very meagre expenses on charitable activities despite having surplus of more than 50%. Thus, the assessee trust has failed to establish the charitable nature and the genuineness of its activities.

7. Considering the above facts discussed in the show-cause notice and discrepancies noticed, the undersigned is not satisfied about the charitable nature and the genuineness of activities of the assessee.

8. In view of the above, the application filed by the assessee is hereby rejected and the provisional registration granted on 24/09/2021 under section 12AB read with section 12A(1)(ac) (vi) of the Income Tax Act, 1961 is hereby cancelled."

6. Aggrieved with such order of the Ld. CIT(E), the assessee is in appeal before the Tribunal by raising the following grounds:

- "1. The learned CIT (Exemption) erred on facts and in law in rejecting approval u/s 12AB of the Act without appreciating the facts and the submissions made by the assessee in its proper perspective.*
- 2. The appellant craves leave to add, alter, delete or substitute all or any of the above grounds of appeal."*

7. The Ld. DR brought to our attention that the facts of the case in ITA No. 2613/PUN/2024 are similar to that of ITA No. 2612/PUN/2024

narrated above. Similar grounds have been raised in ITA No. 2613/PUN/2024 which read as under:

- “1. *The learned CIT (Exemption) erred on facts and in law in rejecting approval u/s 80G of the Act without appreciating the facts and the contentions of the assessee in its proper perspective.*
2. *The appellant craves leave to add, alter, delete or substitute all or any of the above grounds of appeal.”*

8. The Ld. DR submitted that since the Ld. CIT(E) has rejected the grant of registration u/s 12A of the Act and cancelled the provisional registration granted earlier, he refused to grant approval u/s 80G of the Act as well.

9. Referring to para 6 of the Ld. CIT(E)'s order, the Ld. DR submitted that the Ld. CIT(E) has rejected the assessee's application for registration u/s 12A of the Act mainly for the reason that majority of the objects of the assessee trust and the activities of the trust are carried out for specific community i.e. Jain Kasar Samaj and not for the public at large. The assessee has not placed any cogent material/evidence on record to prove that the activities of the trust are not confined for the benefit of a particular community. Relying on the decisions of the Ahmedabad Bench of the Tribunal in the case of Shri Soudharma Brihad Tapogachchiya Tristutik Jain Sangha Samarpanam Vs. CIT (Exemption) in ITA No. 1571/Ahd/2024, dated 03.01.2025 and in the case of Sanand Jamaliya Patidar Panch Vs. CIT (Exemption) (2025) 177 taxmann.com 113, the Ld. DR submitted that the impugned issue is covered in favour of the Revenue wherein it has been held that where the objects of the trust are confined to benefit of members of a particular community and not for the benefit of public at large, the trust would not be entitled for registration u/s 12AB of the Act.

10. We have heard the Ld. DR and perused the order of the Ld. CIT(E). We have also perused the judicial precedents cited by the Ld. DR. The Ld. CIT(E) has rejected the application of the assessee u/s 12A for the reason recorded in para 6 of his impugned order reproduced in this order in the preceding paragraph. The assessee's application for grant of approval u/s 80G has also been rejected by the Ld. CIT(E) on the similar grounds. Further, since the application for grant of registration u/s 12A of the Act

was rejected and the provisional registration granted earlier was cancelled, he also rejected the application for grant of approval u/s 80G of the Act.

11. In the case of Shri Soudharma Brihad Tapogachchiya Tristutik Jain Sangha Samarpanam (supra) Ahmedabad Tribunal under the similar set of facts observed that since the objects of the assessee trust are meant only for the religious activities of the Jain community, the assessee trust is not entitled for registration u/s 12A of the Act and held as under :

“7. We have given our thoughtful consideration and perused the materials available on record. Section 12 to 12AB has undergone various changes from time to time. More particularly after 01.04.2021 the procedure for making reference to CIT(E) for cancellation of registration granted earlier has changed under section 12AB(4) of the Act. For ready reference the same is reproduced as under:

“ (4) Where registration or provisional registration of a trust or an institution has been granted under clause (a) or clause (b) or clause (c) of sub-section (1) or clause (b) of sub-section (1) of section 124A, as the case may be, and subsequently-

(a) the Principal Commissioner of Commissioner has noticed occurrence of one or more specified violations during any previous year, or

(b) the Principal Commissioner of Commissioner has received a reference from the Assessing Officer under the second proviso to sub-section (3) of section 143 for any previous year; or

(c) such case has been selected in accordance with the risk management strategy, formulated by the Board from time to time, for any previous year, The Principal Commissioner of Commissioner shall-

(i) call for such documents or information from the trust or institution, or make such inquiry as he thinks necessary in order to satisfy himself about the occurrence or otherwise of any specified violation,

(ii) pass an order in writing, cancelling the registration of such trust or institution, after affording a reasonable opportunity of being heard, for such previous year and all subsequent previous years, if he is satisfied that one or more specified violations have taken place

(iii) pass an order in writing, refusing to cancel the registration of such trust or institution, if he is not satisfied about the occurrence of one or more specified violations,

(iv) forward a copy of the order under clause (ii) or clause (iii), as the case may be, to the Assessing Officer and such trust or institution.

Explanation- For the purposes of this sub-section, the following shall mean "specified violation"-

(a) where any income derived from property held under trust, wholly or in part for charitable or religious purposes, has been applied, other than for the objects of the trust or institution, or

(b) the trust or institution has income from profits and gains of business which is not incidental to the attainment of its objectives or separate books of account are not maintained by such trust or institution in respect its

objectives; or of the business which is incidental to the attainment of its objectives; or

(c) the trust or institution has applied any part of its income from the property held under a trust for private religious purposes, which does not ensure for the benefit of the public, or

(d) the trust or institution established for 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, or

(e) any activity being carried out by the trust or institution,-

(i) is not genuine, or

(ii) is not being carried out in accordance with all or any of the conditions subject to which it was registered: or

(f) the trust or institution has not complied with the requirement of any other law, as referred to in item (8) of sub-clause (i) of clause

(b) of sub-section (1), and the order, direction or decree, by whatever name called, holding that such non-compliance has occurred has either not been disputed or has attained finality of

(g) the application referred to in clause (ac) of sub-section (1) of section 12A is not complete or it contains false or incorrect information. “

7.1. It is undisputed fact that the Assessee Trust is created on 05- 01- 2023 and the new provisions of section 12AB which is applicable from 01.04.2021. Perusal of the above provisions more particularly Clause (d) to Explanation of Section 12AB(4) of the Act clearly laid down that registration of the Trust or Institution established for charitable purpose created or established after the commencement of this Act, wherein the trust has applied any part of its income for the benefit of any particular religious community or caste can be cancelled. In this context perusal of the main objects of the Trust, which are reproduced in paragraph 2 of this order, makes it abundantly clear that all the objects enumerated therein are related to religious activities more particularly relating to “Jain Community” and to propagate “Jainism” i.e. charitable cum religious in nature is for the benefit of "Jain" caste which is a specific violation under clauses [c] and (d) to Explanation to Section 12AB(4) of the Act.

7.2. Further section 13[1][b] of the Act exclude the benefit of section 11 and 12 to a charitable institution created or established after commencement of the Act, income thereof the trust for the benefit of any particular religious community or caste. The Hon'ble Supreme Court in the case of CIT vs Dawoodi Bohara Jamat reported in 43 taxmann.com 243, held that the provision of section 13(1)(b) of the Act is applicable even to a composite trust/ institution having both religious and charitable objects, by observing as follows:

"... 45. From the phraseology in clause (b) of section 13(1), it could be inferred that the Legislature intended to include only the trusts established for charitable purposes. That however does not mean that if a trust is a composite one, that is one for both religious and charitable purposes, then it would not be covered by clause (b). What is intended to be excluded from being eligible for exemption under Section 11 is a trust for charitable purpose which is established for the benefit of any particular religious community or caste."

7.3. Thus a conjoint reading of Sections 11, 12, 12A and 12AA of the Act makes it clear that registration under sections 12A and 12AA is a condition

precedent for availing benefit under Sections 11 and 12. Unless an institution is registered under the aforesaid provisions, it cannot claim the benefit of Sections 11 and 12. Section 13[1][b] prescribes the circumstances wherein the exemption would not be available to a Religious or Charitable trust otherwise falling under Section 11 or 12. Therefore, it requires to be read in conjunction with the provisions of Sections 11 and 12 towards determination of eligibility of a Trust to claim exemption under the aforesaid provisions, while granting registration.

7.4. Further Ld CIT [E] has considered the provisions of sec 13(1)(b) of the Act which is applicable only in a case of Charitable Trust or Institution created or established after commencement of this Act and only for the benefit of any particular religious community or caste namely "Jains" and thereby denied the registration, which in our considered view is well within the provision of amended law and therefore the order denying registration passed by Ld CIT[E] does not require any interference.

8. Next coming to the case laws relied by the Ld Counsel for the assessee namely Bayath Kutuchhi Dasha Oswal Jain Mahajan Trust (cited supra) wherein Hon'ble Jurisdictional High Court held that the Trust had large number of other objects for the benefit of General Public apart from objects for benefit of Religious Community, therefore held that the Tribunal was correct in allowing Registration to the Trust by observing as follows:

"... 7. It can thus be seen that the Commissioner focused his attention to clause 4.2 of the objects of the trust to come to the conclusion that the same were for the benefit of a certain religious communities only, in the process ignoring various other objects, for e.g. as per clause 4.1, the trust would engage itself in activities relating to education by maintaining and running education centers, infant schools, primary secondary and high schools, colleges etc., to run hostels, training centers for creating awareness in the common people and to make the education available for the public. It would also engage in imparting training in computers. As per clause 4.3, the trust would engage in doing all activities for medical help and to establish and administer dispensaries, hospitals and laboratories etc. It would also help the patients by supplying medicines and financial assistance. Likewise in clause 4.4 the trust could engage in rural development schemes. As per clause 4.5, the trust would engage in literary and cultural activities by making efforts for the development and protection of Indian culture. Clause 4.6 which pertains to other included activities such as running cow shelters, to provide food, cloth and financial help for economically weaker persons, to help during natural or other calamities, to serve humans and animals etc.

8. Thus, very premise for the Commissioner to come to the conclusion that the objects of the trust were confined for the benefit of a religious community, is incorrect. "

8.1. Thus the ratio of the above judgment will not be applicable to the facts of the assessee case, since the objects of the Assessee Trust which is meant only for the religious activities of Jain Community.

9. Next case law relied by the Ld Counsel for the assessee namely Leuva Patel Seva Samaj Trust (cited supra), this judgment is rendered by Hon'ble High Court in 2012 pertaining to the old provisions of Section 12A of the Act. In the present case, we are dealing with the amended provisions of Section 12AB of the Act which is effective from 01-04-2021. Therefore, in our humble and considered view, the above ratio of the judgment will not be applicable to the facts of the present case. Similar is the cases relating to the Co-ordinate Bench decisions relied upon by the Assessee Counsel which are not applicable to the facts of the present case. The Assessee Trust being purely a

religious activities of particular Community is not entitled for registration as a specified violation under Explanation [d] of Section 12AB(4) of the Act.

10. In the result, the appeal filed by the Assessee is devoid of merits and the same is hereby dismissed.”

12. Similar view has been taken by the Ahmedabad Bench of the Tribunal in another case of Sanand Jamaliya Patidar Panch (supra) relied by the Ld. DR wherein the Tribunal in turn relying on the decision in the case of Shri Soudharma Brihad Tapogachchiya Tristutik Jain Sangha Samarpanam (supra), decided the impugned issue in favour of the Revenue.

13. We, therefore, find some force in the arguments advanced by the Ld. DR. Considering the totality of the facts and in the circumstances of the case and the legal position enumerated above and in the absence of any representation made by the assessee to controvert the above submissions/ contentions of the Ld. DR to enable us to take a different view, we do not find any infirmity in the order of the Ld. CIT(E) and accordingly dismiss the grounds raised by the assessee in both the appeals.

14. In the result, both the appeals in ITA Nos. 2612 & 2613/PUN/2024 filed by the assessee are dismissed.

Order pronounced in the open court on 27th November, 2025.

Sd/-
(R.K. Panda)
VICE PRESIDENT

Sd/-
(Astha Chandra)
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 27th November, 2025.

रवि

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "बी" बेंच, पुणे / DR, ITAT, "B" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.
//सत्यापित प्रति// True Copy//

आदेशानुसार / BY ORDER,

सहायक पंजीकार / Assistant Registrar
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune