

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "B": NEW DELHI
BEFORE SHRI C. N. PRASAD, JUDICIAL MEMBER
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No. 6154/Del/2024

Gayatri Pariwar Trust, 3813, 2 nd Floor, Sanjay Colony, 23 NIT, Faridabad	Vs.	Income Tax Officer, Ward-2(1), Faridabad
(Appellant)		(Respondent)
PAN: AACTG7041B		

Assessee by :	Shri Suresh K. Gupta, CA
Revenue by:	Ms. Pooja Swaroop, CIT (DR)
Date of Hearing	04/12/2025
Date of pronouncement	04/12/2025

O R D E R

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No.6154/Del/2024, arises out of the order of the Commissioner of Income Tax (Exemptions)- Chandigarh [hereinafter referred to as 'Id. CIT(E)', in short] in Appeal No. ITBA/EXM/F/EXM45/2024-25/1069979453(1) dated 28.10.2024 against the order of assessment passed u/s 80G(5)(iii) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 30.03.2015 by the Assessing Officer, DCIT, Circle-17(1), New Delhi (hereinafter referred to as 'Id. AO').

2. The only issue to be decided in this appeal is as to whether the Learned CIT (exemptions) Chandigarh was justified in rejecting the application for approval of the Assessee Trust under section 80G(5)(iii) of the Act on the ground that Assessee is engaged in the religious activities, in the facts and circumstances of the instant case.

3. We have heard the rival submissions and perused the materials available on record. The Assessee is a public charitable trust and had been duly granted registration under section 12A of the Act. The Assessee preferred an application for seeking exemption under section 80G of the Act. During the course of hearing, the Learned CIT (exemptions) Chandigarh sought details of activities carried out by the Assessee which were duly furnished. From the perusal of the details furnished by the Assessee, the Learned CIT (exemptions) concluded that Assessee Trust is carrying out both charitable and religious activities which are in violation of Explanation 3 to section 80G of the Act. No doubt the financials of the Trust were showing temple expenses and puja expenses. Based on that, the Learned CIT (exemptions) concluded that the objects of the Trust are wholly and substantially religious in nature and hence the Assessee would not be entitled for exemption under section 80G of the Act and accordingly proceeded to reject the application seeking exemption thereon.

4. At the outset, we find that on perusal of the objects of the Trust, we find that the objects prescribed thereon are purely charitable in nature. It is not in dispute that the Assessee had been duly granted registration under section 12A of the Act which was not withdrawn by the Learned CIT (exemptions) Chandigarh. The Assessee had indeed incurred temple expenses for the year ended 31st March 2024 in the sum of Rs 1,76,004/-. The same pertained to Ashram maintenance expenses which were wrongly reflected as temple expenses. It was submitted that the accountant of the Assessee had not given any distinction between temple and Ashram on the ground that Ashram, being centre for imparting Yoga Sadhana, was mistakenly characterized as temple. There were no such expenses towards temple construction in any other year. The Puja expenses debited every year are routine expenses incurred on account of Ved Puja which is not a religious activity. It was submitted that even if it is considered as religious activity, the amount of Puja expenses is Rs 5000 - Rs 15000 which is way below the allowable limit of 5% of total income in terms of section 80G(5B) of the Act. Hence the Assessee Trust cannot be

construed as substantially carrying out religious activity. Hence in our considered opinion, the reliance placed by the Learned CIT (exemptions) on the decision of Hon'ble Supreme Court in the case of Upper Ganges Sugar Mills reported in 93 TAXMAN 645 (SC) is wholly misplaced in the facts and circumstances as the activities of the Trust are not religious in nature and rather they are only charitable in nature and hence the Assessee would be entitled for exemption under section 80G of the Act. In our considered opinion, even the provisions of section 80G(5B) of the Act permit every charitable Trust to carry out certain religious activities. However the said religious activity should be less than 5% of total income of the year under consideration. We find that the activities of the Assessee Trust on account of religious nature are indeed less than 5% of the total income and hence Assessee would be entitled for exemption under section 80G of the Act. This provision has not been appreciated by the Learned CIT (exemptions) Chandigarh. Hence we direct the Learned CIT (exemptions) Chandigarh to kindly grant exemption under section 80G of the Act as it is not the case of the revenue that the Assessee had not complied with other provisions of section 80G of the Act. Accordingly, the ground raised by the Assessee is allowed for statistical purposes.

5. In the result, the appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open court on 04/12/2025.

-Sd/-
(C. N. PRASAD)
JUDICIAL MEMBER

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 04/12/2025
A K Keot

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1. Applicant

2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi