

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH, AHMEDABAD**

**BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER AND  
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 2313/AHD/2025  
Assessment Years: NA**

Shree Patan Visha Shrimali Soni Gynati Patan, Vagheshwari Mata NU Mandir, Swadiya Ni Khadki Soniwado, Patan, Gujarat – 384265  <b>[PAN – AABTS3769H]</b>	Vs.	The Commissioner of Income Tax (Exemption), Ahmedabad – 380015
(Appellant)		(Respondent)
Assessee by	Shri Kunal Shangvi, AR	
Revenue by	Shri R P Rastogi, CIT-DR	
Date of Hearing	24.03.2026	
Date of Pronouncement	26.03.2026	

**ORDER**

**PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:**

This appeal is filed by the assessee against the order of Commissioner of Income Tax (Exemption), Ahmedabad, dated 29.09.2025 in the proceedings u/s 12A(1)(ac)(iii) of the Income Tax Act.

2. The brief facts of the case are that the assessee had filed an application in Form No. 10AB for registration of the Trust u/s. 12A(1)(ac)(iii) of the Act. The Ld. CIT(E) had required the assessee to submit certain details and documents vide notices dated 16.04.2025 and 17.09.2025 which was complied. The Ld. CIT(E) noticed that the main

object and also the ancillary objects/activities, though charitable in nature, were confined for the benefit of “Visa Srimali Soni Gnati, Patan”, which was a specified violations under clause (d) below Explanation to section 12AB(4) of the Act. He, therefore, rejected the application of the assessee for registration of the trust and the provisional registration granted earlier was also cancelled.

3. Aggrieved with order of the Ld. CIT(E), the assessee is in second appeal before us. The following grounds have been taken in this appeal.

1. *On the facts and in circumstances of the case as well as law on the subject, the Ld. Commissioner of Income Tax (Exemption) has erred in rejecting the application filed in Form No. 10AB u/s. 12A (1)(ac)(iii) of the IT Act which is illegal and bad in law.*
2. *On the facts and in circumstances of the case the Trust is not benefit for particular religious community or caste and it is public at large and there is no any specified violation under clause (d) below explanation to section 12AB(4).*
3. *The appellant therefore prays that the application filed in Form No. 10AB u/s. 12A (1)(ac)(iii) of the IT Act and Provisional Registration may be granted looking to the merits of the case.*
4. *The appellant humbly craves leave to add, alter or delete all or any of the ground(s) either before or in the course of hearing of the appeal.*

4. Shri Kunal Shangvi, the Ld. AR of the assessee submitted that the assessee is an old Trust and its activities had commenced from 29.03.1986. It had also obtained provisional registration on 27.09.2022. He explained that the assessee had complied to the notices of the Ld. CIT(E) and furnished the documents and details as required. The Ld. AR explained that all the objectives and purposes of the Trust were charitable in nature and were open to the general public. Merely because the Trust

was initially constituted for the families of Visa Srimali Soni Gnyati settled at Patan, the registration application should not have been rejected without examining the exact nature of activities carried out by the assessee trust. He submitted that the assessee did not apply any part of its income for the benefit of any particular religious community or caste and, therefore, was not hit by the mischief of clause (d) of Explanation below section 12AB(4) of the Act. He, therefore, requested that the matter may be set aside to the file of Ld. CIT(E) with a direction to allow another opportunity to the assessee to explain the application of income of the Trust.

5. Per contra, Shri R P Rastogi, the Ld. CIT-DR, supported the order of Ld. CIT(E). He submitted that the assessee trust was limited to the families of Visa Shrimali Soni Gnyati settled in and around Patan and, therefore, the Ld. CIT(E) had rightly held that the benefits of the trust were confined to the particular caste and community.

6. We have considered the rival submissions. From the constitution of the trust brought on record in the paper-book, it is found that the assessee trust was limited to the families of "Visa Shrimali Soni Gnyati" settled at Patan or elsewhere. However, we do not find any specific clause in the constitution of the trust that the benefits of the trust or the income accruing to the trust will be applied only to the families of Visa Shrimali Soni Gnyati. On the other hand, the objectives of the trust to spread education, social service, social development, medical treatment and medical aid, organizing Navaratri and religious festivals etc. are all charitable in nature. The specified violation under the provision of section 12AB of the Act, flagged by the Ld. CIT(E), reads as under:

**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 benefit of any particular religious community or caste”.**

7. There is no finding given by the Ld. CIT(E) that the assessee trust had applied any part of its income for the benefit of the community or caste i.e. “Visa Shrimali Soni Gnyati”. Merely the reference to this community in the constitution of the trust doesn’t establish that the income of the trust was applied for their benefit. This aspect was required to be examined vis-à-vis the actual expenses incurred by the assessee. In the absence of any categorical finding regarding application of income of the trust for the benefit of particular caste and community, we deem it proper to set aside the matter to the file of the Ld. CIT(E) with a direction to allow another opportunity to the assessee to explain the application of its income. The Ld. CIT(E) may decide the application of the assessee after calling for the details of income and expenditure account of the assessee and after verifying whether any part of the income was applied for the benefit of the particular community or caste, for which it was formed.

8. In the result, the appeal of the assessee is allowed for statistical purpose.

**Order pronounced in the Court on 26/03/2026 at Ahmedabad.**

**Sd/-**  
**(TR SENTHIL KUMAR)**  
Judicial Member  
**Dated – 26<sup>th</sup> March, 2026**

**Sd/-**  
**(NARENDRA PRASAD SINHA)**  
Accountant Member

Neelesh, Sr. PS

(True Copy)

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण / DR, ITAT,
6. गार्ड फाईल / Guard file.

आदेशानुसार/BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt.Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad