

**IN THE INCOME TAX APPELLATE TRIBUNAL
JODHPUR BENCH, JODHPUR**

**BEFORE DR. MITHA LAL MEENA, HON'BLE ACCOUNTANT MEMBER
AND SHRI SUDHIR PAREEK, HON'BLE JUDICIAL MEMBER**

Sr. No.	ITA Nos.	Asst. Year	Appellant	Respondent	PAN No.
1.	197 & 198/Jodh/2025	NA	AS Ascent Welfare Society 6-9, Navkar Plaza, harisheva Dharamshala ke Pass, Milan Talkies Road - 311001	CIT Exemption, Jaipur - 302015	AACAA 1683 N
2.	206 & 207/Jodh/2025	NA	Navkar Society 6-9, Navkar Plaza, Near Hari Shewa Dham Dharamshala, Bhilwara - 311001	CIT Exemption, Jaipur - 302015	AACAN 7660 C

Assessee By	Shri Sunil Surana, CA and Shri Rahul Parmanandani, CA (Physical)
Revenue By	Shri O.P. Meena, CIT-DR (Virtual)

Date of Hearing	25.03.2026.
Date of Pronouncement	07.04.2026.

ORDER

DR. MITHA LAL MEENA, A.M.:

These appeals are filed by the appellant trust against the order of Ld. CIT Exemption, Jaipur [hereinafter referred to as CIT(E)] dated 27.12.2024 and 29.12.2024 challenging therein rejection of their applications for registration u/s 12AB and approval u/s 80G of the Income Tax Act.

2. The appellant assessee trusts have challenged common issues on identical facts regarding rejection of their application for registration u/s 12AB and approval u/s 80G of the Income Tax Act on the ground of non-genuineness of activities and, therefore all these four appeals are adjudicated by this common order. ITA No. 197/Jodh/2025 is taken as a lead case for discussion of facts.

3. Having heard both the sides and perusal of record, we find that the Ld. CIT(E) has rejected the application for registration u/s 12AB and consequently approval u/s 80G on the ground of non-genuineness of activities. The Ld. CIT(E) has stated that as per reply of the assessee, the main activities are yet to be commenced and the appellant trust was under process of construction to start a hospital for providing medical facilities. Although it has regularly been providing medical help to the poor people, but no evidence/details has been furnished in this regard. The Ld. CIT(E) has stated that the activities are not verifiable and it could not be determined whether the applicant is genuinely carried out charitable activity. Therefore, the CIT(E) has rejected the claim of assessee for registration u/s 12AB on the ground of not proving its genuineness of activities and consequently to rejected its application for registration u/s 12AB, approval u/s 80G of I.T. Act was rejected.

4. The Id. Counsel for the assessee has submitted that the society was created with the intention of permanent medical infrastructure for the benefit of economically weaker sections and it has already undertaken preparations including acquisition of land for hospital construction and that hospital is under construction. The AR further submitted the object and activities of the appellant society are within the definition of charitable purpose as provided u/s 2(15) of the Income Tax Act, 1961 which expressly include that “medical relief” as one of the recognized charitable purposes. The AR argued that establishment of charitable hospital for providing medical facilities to the public at large, particularly economically weaker sections is, therefore, fully in consonance with the statutory scheme. The AR further argued that at the stage of registration u/s 12AB(1)(b), the Ld. CIT(E) is required to examine whether the objects of the trust are charitable in nature within the meaning of Section 2(15) of the Income Tax Act. The memorandum of association of society clearly set out its primary objects, interalia to provide medical relief especially to economically weaker sections, support disabled individuals and undertake public welfare activities. Thus, the objects are squarely covered within the definition of “charitable purposes” u/s 2(15) and the object of the society are particularly fall under the name of “medical relief”.

5. The Ld. Counsel for the assessee argued that the Id. CIT(E) did not recorded any adverse finding that the object of society are non-charitable or fall outside the scope of Section 2(15) and that there was no allegation that objects are commercial in nature, profit making or contrary to law. In the absence of any adverse objection or dissatisfaction regarding the charitable nature of the objects, rejection of registration u/s 12AB(1)(b) is contrary to the statutory provisions of law. He argued that denial to registration cannot be sustained on the grounds unrelated to the nature of the objects.

6. Thus, the Ld. AR contended that for the purpose of registration u/s 12AB(1)(b), the CIT(E) is required to examine whether the objects are charitable and whether the activities are genuine in context of the objects of the trust if the activities of the trust are commenced. The provisions do not mandate that full scale charitable operation must have commenced before registration can be granted. In the present case, activities proposed to be undertaken aligned to the status charitable objects as on the date of application, construction of hospital building was in progress and preparatory activities, including acquisition of land and development of infrastructure, had been undertaken. In support, he placed reliance on the judgment of **Hon'ble Apex Court given in the case of Ananda Social & Educational Trust Vs. CIT**

(2020) 426 ITR 340 (SC), Hon'ble Rajasthan High Court in the case of CIT Vs. Vijay Vargiya Vani Charitable Trust (2014) 369 ITR 360.

7. The Ld. DR on the other side relied on the impugned order, however, he did not controvert the factual contentions raised by the assessee or furnished a contrary judgment.

8. Admittedly, appellant society objects are found to be charitable in nature and there was no adverse finding given by the Ld. CIT(E) on the charitable object of the appellant trust. It is also undisputed fact on record that the activities are proposed to be undertaken are directly aligned with the stated charitable objects of the appellant trust. On the date of application for registration u/s 12AB, the construction of hospital building was undertaken by the appellant trust with the preparatory activities including acquisition of land and development of infrastructure. In our view, at the stage of consideration of application u/s 12AB(1)(b), the CIT(E) is required to examine whether the objects are charitable in nature and whether the activities, if commenced, are genuine in the context of the objects of the trust and does not required that under the mandate that full scale of charitable activities must have commenced before the registration to be granted to a charitable trust. In the absence of any adverse observation of the Ld. CIT(E) on the charitable objects

of the trust and the genuineness of activities inconsonance with the object of the trust, the mere objections of the CIT(E) based on presumption that whether the applicant is genuinely carried out a charitable activities cannot be a valid ground for rejection of appellants claim u/s 12AB of the Act. In the case of **Ananda Social and Educational Trust Vs. CIT (supra)**, the Hon'ble Supreme Court has observed as under:

"in order to ensure that the object of the trust and its activities are charitable since the consequence of such registration is that the trust is entitled to claim benefits under sections 11 and 12 of the Act."

"Since Section 12AA pertains to the registration of the Trust and not to assessment of what a trust has actually done, we are of the view that the term 'activities' in the provision includes 'proposed activities'. That is to say, the Commissioner is bound to consider whether the objects of the Trust are genuinely charitable in nature and whether the activities which the Trust proposes to carry on are genuine in the sense that they are in line with the objects of the Trust."

9. In the case of **CIT Vs. Vijay Vargiya Vani Charitable Trust (supra)**, the Hon'ble Rajasthan High Court has observed as under:

The only thing to be looked into at the time of granting of registration is that the object of the trust for which it was formed have to be seen and examined; the CIT's satisfaction about genuineness of the activities of the trust is not a criteria as the trust is yet to commence activities."The court further observed that "Asking about

charitable activities at the nascent stage would amount to putting a cart before the horse."

10. In the present case, the appellants objects of providing medical relief by way of establishment of a hospital is not disputed by the Department and hence the appellant societies objects fall within the definition of charitable purpose u/s 2(15) of the Act. Further, the hospital is under construction and the activities proposed to be commenced are in the line with the stated objects.

11. Following the **Hon'ble Apex Court judgment in the case Ananda Social and Educational Trust Vs. CIT (supra)** we hold that non-commencement of operation of hospital (activities) cannot be ground for refusal of registration u/s 12 AB of the act. Therefore, the CIT(E) is directed to grant registration to the appellant trust u/s 12AB(1)(b) and consequential approval u/s 80G of the Income Tax Act to the appellant society.

ITA No. 198/Jodh/2025

12. Since the assessee gets relief in ITA No. 197/Jodh/2025 where we have directed the Ld. CIT(E) to grant registration u/s 12AB of the Income Tax Act to the applicant assessee. Consequent to granting registration u/s 12AB, the Ld.

CIT(E) may also grant approval u/s 80G of the Income Tax Act to the applicant trust.

13. The issues and facts in ITA No. 206 & 207/Jodh/2025 are exactly similar except the charitable purpose, educational to those discussed in ITA No. 197 & 198/Jodh/2025, therefore, our finding and observation given in ITA No. 197 & 198/Jodh/2025 regarding the registration u/s 12AB and approval u/s 80G shall apply to ITA Nos. 206 & 207/Jodh/2025 in *mutatis mutandis*, ordered accordingly.

Order pronounced in the open court on 07/04/2026.

Sd/-

(SUDHIR PAREEK)
JUDICIAL MEMBER
Dated : 07/04/2026.
Nimisha Sr. PS

Sd/-

(DR. MITHA LAL MEENA)
ACCOUNTANT MEMBER

True Copy

Copies to :

- (1) The appellant.
- (2) The respondent.
- (3) CIT
- (4) CIT(A)
- (5) Departmental Representative
- (6) Guard File

BY ORDER,