

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “A” BENCH, AHMEDABAD**

**BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER AND
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No.1656/Ahd/2025
Assessment Year: 2016-17**

Assistant Commissioner of Income Tax, Exemptions, Circle-1, 606, Aayakar Bhavan, Near Sachin Tower, Vejalpur, Ahmedabad – 380 015. (Gujarat) [PAN – AAATV 1617 L] (Appellant)	Vs.	Vyakti Vikas Kendra India, 272, Sri Sri Gyan Mandir, Satellite, Ahmedabad – 380 015. (Gujarat). (Respondent)
Assessee by	Shri S. N. Soparkar, Sr. Advocate	
Revenue by	Shri Akhilenbdra Pratap Yadav, CIT-DR	
Date of Hearing	04.11.2025	
Date of Pronouncement	02.12.2025	

ORDER

PER SHRI NARENDRA PRASAD SINHA, AM:

This appeal is filed by the Revenue against the order of the National Faceless Appeal Centre (NFAC), Delhi (in short “the CIT(A)”) dated 25.06.2025 for the Assessment Year (A.Y.) 2016-17 in the proceeding under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as ‘the Act’).

2. The brief facts of the case are that the assessee Trust had filed its return of income for the A.Y. 2016-17 on 12.12.2016 declaring “Nil” income. The case was selected for compulsory scrutiny. The assessee had filed return of income claiming exemption under sections 11 & 12 of

the Act. In earlier years, the activities of the assessee were treated as activities for “advancement of any other object of general public utility” as stipulated under section 2(15) of the Act. The Assessing Officer had held that the activities of the Trust were hit by the second proviso to section 2(15) of the Act as the activities of the assessee Trust were in the nature of carrying on activities in the nature of trade, commerce or business. Accordingly, the deduction claimed under sections 11 & 12 of the Act was denied by the Assessing Officer. Further, the Assessing Officer had also held that the assessee was not entitled for deduction of corpus fund donation u/s 11 of the Act as it was not entitled to claim any benefit under sections 11, 12 & 13 of the Act. For the same reason, the deduction claimed on account of contribution towards donation and charities as well as for accumulation of funds, were also denied. The assessment was completed under Section 143(3) dated 23.12.2018 at a total income of Rs.71,07,65,070/-.

3. Aggrieved with the order of the Assessing Officer, the assessee had filed an appeal before the first appellate authority which was decided by the Ld. CIT(A) vide the impugned order and the appeal of the assessee was partly allowed.

4. Now the Revenue is in appeal before us. The following grounds have been taken in this appeal: -

- “1. Whether on the facts and in circumstances of the case, Ld. CIT(A), NFAC is justified in deleting the addition made by AO amounting to Rs.18,00,38,753/- on account of capital expenditure holding that the assessee to be carrying out the activities falling in the category of providing "education and medical relief" as per section 2(15) of the Act and is eligible for exemption u/s.11 & 12 of the Act.*

2. *Whether on the facts and in circumstances of the case, Ld. CIT(A), NFAC is justified in deleting the addition made by AO amounting to Rs.2,11,98,372/- on account of donation expenditure holding that assessee trust is providing education and medical relief as per section 2(15) of the Act and is eligible for exemption u/s.11 of the Act.*
3. *Whether on the facts and in circumstances of the case, the Ld. CIT(A), NFAC is justified in deleting the addition of Rs.24,90,54,752/- on account of corpus donation holding that the assessee is eligible for exemption u/s.11(1)(d) of the Act as the assessee not covered by proviso to section 2(15) of the Act donation received towards corpus cannot be held as income.*
4. *Whether on the facts and in circumstances of the Ld. CIT(A), NFAC is justified in deleting the addition of Rs.8,00,00,000/- made on account of Accumulation u/s.11(2) of the Act.*
5. *Whether on the facts and in circumstances of the Ld. CIT(A), NFAC is justified in deleting the addition of Rs.18,04,73,193/- made on account of Accumulation @15% u/s.11(1)(a) of the Act.*
6. *Whether on the facts and in circumstance of the Ld. CIT(A), NFAC is justified in holding that the assessee is carrying out the activities falling in the category of providing "education and medical relief" as per section 2(15) of the Act and hence eligible for exemption u/s.11 & 12 of the Act.*
7. *Whether on the facts and in circumstance of the Ld. CIT(A), NFAC is justified in directing to grant of exemption u/s.10(23)(iiad) of the Act in respect of receipts of schools runs in tribal areas."*

5. At the outset, Shri S.N. Soparkar, the Ld. Sr. Advocate appearing for the assessee, submitted that the issue in respect of all the grounds taken by the Revenue are covered by the decision of Co-ordinate Bench of this Tribunal in assessee's own case for the A.Ys. 2011-12 to 2014-15 in *ITA Nos.265, 805, 806 & 2344/Ahd/2018 dated 03.09.2019*. He submitted that the Assessing Officer, in the current year, had made all the additions following the order of earlier years. The fact that the assessee had got relief from the Ld. CIT(A) in those years was also brought to the knowledge of the Assessing Officer, but he made the additions for the reason that the Revenue had challenged the order of the Ld. CIT(A)

before the second appellate authority. According to the Ld. Sr. Counsel, no fresh facts were brought on record in the current year and all the grounds raised by the Revenue are duly covered by the decision of this Tribunal dated 03.09.2019 for the earlier years.

6. Per contra, Shri Akhilendra Pratap Yadav, Ld. CIT-DR supported the order of the Assessing Officer. He, however, could not controvert the contentions made by the Ld. Sr. Counsel.

7. We have considered the rival submissions and gone through the materials brought on record including the order of the Co-ordinate Bench of this Tribunal in assessee's own case. Ground no.-1 pertains to addition of capital expense of Rs.18,00,38,753/- holding that the assessee was not eligible for exemption u/s 11 and 12 of the Act, as the activities of the assessee Trust was in the category of providing education and medical relief and was hit by the mischief of second proviso of section 2(15) of the Act. It is found that the Assessing Officer had made the additions in the current year, following the earlier order in the A.Y. 2011-12 and in the subsequent years. While dealing with the objects of the Trust and the applicability of second proviso to section 2(15) of the Act, the co-ordinate bench of this Tribunal vide order dated 03.09.2019 had held as under: -

8. We have heard the respective parties and perused the relevant materials available on record. The assessee has filed the entire set of documents which were placed before the authorities below. The Learned DR filed a note on behalf of the revenue in support of the grounds agitated in the appeal before us.

8.1. As we find from the records that all the issues agitated before us in the appeal filed by the revenue are interlinked and the moot question involved in the matter is as to whether the activities of the appellant trust falls within the ambit and purview of providing "medical relief", "imparting education" or in the last limb of section 2(15) of the Act being the residuary category of "advancement of any other objects of the general public utility". In addressing the issue we need to be apprised

on the objects of Sudarshan Kriya which has already been placed by the assessee before the authorities below:

"The Sudarshan Kriya incorporates specific natural rhythms of breath which harmonize the rhythms of the body and emotions and bring them in tune with the rhythms of nature. The breath connects the body and mind. Just as emotions affect our patterns of breathing, we can bring about changes in our mental and behavioral patterns by altering the rhythms of our breath. It flushes out anger, anxiety and worry; leaving the mind completely relaxed and energized.

As per result of this the individuals who take refuge in substance abuse, (like alcohol, smoking drugs etc.) to reduce mental stress, and end up in loss of health and wealth, find a very effective way to put their mind at rest, thus freeing them from the dependence of substance abuse.

A study conducted by NIMHANS, AIIMS and several Independent researchers have shown that the practice of Sudarshan Kriya along with other prayanam and the meditation has helped people following.

- *Reduced levels of stress (reduce cortisol - the "stress " hormone)*
- *Stronger immunity*
- *Reduced cholesterol*
- *Relief from anxiety & depression (mild, moderate and severe)*
- *Increased antioxidant protection*
- *Enhanced brain function*
- *Increased awareness both of self and surroundings*
- *Improved patience*
- *Greater energy*
- *Improved ability to manage challenging situations*
- *Greater mental clarity*

(Increased Awareness Improved Patience Increased Energy and Greater ability to deal with situations Increased Mental Clarity)

Note on Yoga and Sudarshan Kriva

Yoga is a noun and it could be understood as a spiritual and ascetic discipline, a part of which including breath control, simple meditation, and the adoption of specific bodily postures, is widely practiced for health and relaxation. It is believed that Maharashi Patanjali the Father of Yoga compiled and defined Yoga in his book on Yoga sutras and advocated an eight fold Yoga popularly known as

the Ashtanga Yoga and they are Yama, Niyama, Asana, Pranayama, Pratyah Dharana, Dhyana and Samadhi. These components advocate certain restraints and observance physical discipline, breath regulations, restraining the sense organs, contemplation, meditation and Samadhi. These steps are believed to have a potential for improvement of physical health by enhancing circulation of oxygenated blood in the body, retraining the sense organs thereby inducing tranquility and serenity of mind.

What is Sudarshan Kriya : The Sudarshan Kriya incorporates specific natural rhythms of breath which harmonize the rhythms of the body and emotions and bring them in tune with the rhythm nature. The breath connects the body and mind. Just as emotions affect our patterns of breath we can bring about changes in our mental and behavioral patterns by altering the rhythms of breath. It flushes out anger, anxiety and worry; leaving the mind completely relaxed energized.

Sudarshan Kriya is a technique of yoga mentioned above, predominantly concentrating on the breath regulations of an individual, which helps a person from having a stress management if practiced on a regular basis. The breath technique adopted is an integral part of Pranayama of the Ashtanga Yoga referred in the Yoga sutras. The technique referred here is Sudarshan Kriya, where the order of performance is defined in a specific manner to achieve results for the betterment of an individual."

From the note submitted above, it can be seen that according to the appellant the unique of Sudarshan Kriya developed by the appellant is closely related to breathing techniques, meditation and the various aspects of Ashtang Yog. According to the appellant the practice of Sudarshan Kriya as per various reports of medical institutions and research publication has helped the recipients of Sudarshan Kriya to reduce the stress level, increase immunity, reduce cholesterol etc. The methodology of imparting the training in Sudarshan Kriya is very well structured as it is apparent that the appellant is conducting various courses for different levels of participants progressing in the techniques of Sudarshan Kriya.

8.2 We have further gone through the analysis made by the Ld CITA on the effect of Sudarshan Kriya as also the note submitted by the assessee in this respect wherefrom it appears from the records that the prime content of the entry level programmes is the Sudarshan Kriya which admittedly reduces stress related medical illness, substance abuse and also effective even for rehabilitation of criminal offenders has already been accepted by the revenue; such admission in the written notes submitted by DR is on record before us. In our opinion it is a service that supports the mental wellbeing of a person which is admittedly not an activity of business but an activity of imparting the knowledge. We further find that the predominant object of the appellant trust are to provide practical and theoretical training in the field of yoga, which would ultimately provide medical relief to the society at large. It further appears on record that pursuant to the said objective of the appellant trust, it has made inter trust donations to Patanjali Yog Peeth to support their endeavors of imparting yoga education by means of organizing yog shivirs/camps across the country on daily/weekly/monthly basis in a systemized/organized manner in order to provide medical relief to people who

cannot afford modern medical method or have been subjected to ill effects of modern medicine. It is also an admitted fact that the assessee trust has created a very large number of general public population of this country without making discrimination on caste or creed of the participants in those programs. Propagation of yoga as pre-dominant objective in the case of the appellant trust very much falls within the definition of "charitable purpose " provided under section 2(15) of the Act as it is also "imparting of education". There is no dispute that the assessee has been continuously undertaking the following activities :

(a) Providing medical relief to various sections of the society, including but not limited to providing free medicines and treatment by organizing various shivirs / camps on a regular basis under the leadership of yoga guru, other trained teachers and teams of doctors.

(b) Conducting programmes and shivirs on a regular basis for propagating yoga and also to promote good health;

(c) Conducting yoga classes on a regular basis and in systemized manner so as to provide medical relief and also to impart education in yoga through systematic instructions and training programmes.

8.3 In a similar situation while deciding the issue as to whether the trust fall within the purview of providing "imparting education" the Hon 'ble Tribunal, Delhi Benches in the matter of Divya Yog Mandir Trust-vs-JCIT, Hardwar relied upon the observation made by the Hon'ble Apex Court in the matter of Sole Trustee, Lok Shikshana Trust-vs-CIT, reported in [1975] 101 ITR 234 wherein in the context of section 2(15) of the Act, education has been explained as a process of training and developing the knowledge, skill, mind and character of students by schooling by way of systematic instruction, schooling or training. Therefore, any form of education activity involving imparting of systematic training in order to develop the knowledge, skill, mind and character of students, is to be regarded as "education" covered under the purview of section 2(15) of the Act. In that view of the matter, yoga training through well structured yoga shivir / camps has been characterized under the category of imparting education which is, one of the charitable objects defined u/s 2(15) of the Act. The plea of the Revenue that activities of the appellant therein are hit by the Proviso inserted in the definition of charitable purpose in section 2(15) as thereby negated by the Hon 'ble Tribunal, Delhi Bench.

8.4. Similarly, the Hon'ble Delhi High Court in the matter of Commissioner of Income Tax (Exemptions)-vs-Patanjali Yogpeeth (NYAS) reported in [2017] 87 taxmann.com 54 (Delhi) dealt with this issue as to whether propagation of yoga by way of conducting yoga classes on a regular basis or in a systemized manner falls under category of 'imparting of education' as provided u/s 2(15) of the Act. The issue in such appeal was finalized in favour of the assessee. The Hon'ble Court was declined to interfere with the observation made by the Learned Tribunal whereby and whereunder the Learned Tribunal observed the practice of yoga confers positive relief to certain ailments and promotes wellness and well being generally. While doing so, the Hon'ble High Court observed as follows:

"3. As is evident from the above extract, the Tribunal had relied upon its ruling in DivyaYogMandir Trust v. Jt. CIT [2013] 37 taxmann. com 227/60 SOT 154 (UR0)/[2015] 153 ITD 368 (Delhi - Trib.). In that decision, the judgments in KashyapVed Research Foundation v. CIT [2011] 131 ITD 370/12 taxmann.com286 (Cochin) and CIT v. Rajneesh Foundation [2006]

280 ITR 533/[2005] 148 Taxman 396 (Bom.) were relied upon. It was held that yoga was one of the six systems of Vedic philosophy developed by Maharishi Patanjali, who was characterized as "The Father of Yoga" and who had compiled and refined various aspects of the science/practice systematically in "Yoga Sutras". The Tribunal concluded upon analysis of the practice of yoga that it confers positive relief to certain ailments such as asthma, migraine, hypertension, stress, etc. and promotes wellness and well being generally. Having regard to the observations, the Court is of the opinion that the mere inclusion of yoga specifically w.e.f. 01.04.2016 did not per se imply that it came to be included as a specific charitable category on the same lines as education, medical relief, relief to the poor, etc but that dissemination of yoga or vedic philosophy or the practice of yoga or education with respect to yoga was well within the larger term "medical relief". This Court is of the opinion that no substantial question of law arises on this aspect."

8.5. It is relevant to mention that the provision to section 2(15) applies only to trust/institutes falling in the last limb of the definition of charitable purposes, that too, if such trust / institutes carry on commercial activities in the nature of business trade or commerce. The said proviso does not apply to trust/institutes engaged in the charitable objects of providing relief to the poor imparting "education" and providing "medical relief". Since the predominant objects and activities of the trust in hand before us make it clear that such objects are to provide "medical relief" and "imparting of education" to the society at large, being charitable objects defined under section 2(15) of the Act, in our considered view proviso to section 2(15) is not applicable to the instant case of the assessee. Neither Sudarshan Kriya falls within the residuary category of 'education ' or 'medical relief'.

8.6 It is also a fact that donations have been received which has shown as voluntary contribution including the contributions from the corporate who are benefited out of these programs for their own staff. The question arose when such contributions have been treated as course fees by such corporate and deducted TDS thereon, whether the same contributes any change in the status of the trust being charitable in nature.

8.7 During the course of appellate proceeding the assessee has provided a tabulation work with regard to the quantum of donation received and the percentage of donor thereof wherefrom it reveals that during the financial year 2010-11 i.e. Assessment Year 2011-12, the appellant trust received donations approximately from 3,57,376 donors. Over and above these donors, during the year under consideration the appellant has conducted courses for 3,81,862 delegates without collecting any donation or fees. It further reveals from the tabulation sheet that more or less 70% of the donors who had received the training of SudarshanKriya have made donation of less than Rs.2000/-. 95% of the donors participated in that particular training, donated less than Rs.5000/-and only 4.32% of donors made donations more than Rs.5000/- Thus it reflects that maximum donations have been received from the persons giving donations in the range of Rs.501 to Rs.1000/-, Rs.2001 to Rs.3000/- and Rs.3001/- to Rs.4000/-. It is relevant to mention that out of the total donations of Rs.3,57,376/- only 588 donors being 0.16% of it donated Rs.25,001/- and above. These donations were received from the participants of the training programme of Sudarshan Kriya as the fact reveals from the records before us. During the appellate proceeding, the assessee trust submitted a further tabular sheet correlating the activities of the trust to the receipts thereof for the year ended 31.03.2011 which as follows:

Sl. No.	Range	Total Donations	No. of Donors	% of Donors	% Cumulative
1	1-200	42,08,273	26,552	7.43%	7.43%
2	201-500	2,08,71,143	56,127	15.71%	23.14%
3	501-1000	10,87,10,735	1,21,084	33.88%	57.02%
4	1001-1500	4,18,12,615	33,179	9.28%	66.30%
5	1501-2000	2,46,17,851	13,148	3.68%	69.98%
6	2001-3000	10,76,50,664	41,986	11.75%	81.73%
7	3001-4000	15,96,18,534	45,288	12.67%	94.40%
8	4001-5000	2,15,47,954	4,563	1.28%	95.68%
9	5001-7000	6,07,52,130	10,521	2.94%	98.62%
10	7001-10000	2,84,72,399	3,261	0.91%	99.53%
11	10001-25000	1,64,93,278	1,079	0.30%	99.84%
12	25001 and above	8,88,07,958	588	0.16%	100.00%
Grand Total		68,35,63,534	3,57,376	100.00%	

8.8 It further appears that various courses conducted by the appellant trust specially part-1 and part-2 and the Apex course have a direct nexus and/or co-relation with the objects of the trust before us.

It is also relevant to mention that such contributions have been treated in the books of accounts of the trust as voluntary contributions. Therefore, whether it contributes any change in the character of the trust being charitable in nature has to be looked into and in this regard we would like to discuss certain Judicial pronouncements starting from the Hon'ble Tribunal to the Apex Court. While deciding this issue, as to whether the activities of the trust can be characterised as trade, commerce or business particularly, when there is an element of fees or charges levied by the trust, in the matter of Divya Yog Mandir Trust-vs-JCIT the Hon'ble Delhi Bench, ITAT held in favour of the assessee because of this particular reason that there was no aliment of any profit motive in charging such fees from the participant. Similarly in the matter of Credit Guarantee Fund Trust-vs-ITO in ITA No.6282/Mum/2015 the question put before the Hon'ble ITAT, Mumbai Bench that when certain fee, charges have been levied for the activities rendered to the beneficiaries whether it should be seen as 'trade, commerce or business'. The Hon'ble Tribunal held that mere action of charging fees for services, by itself, would not justify invoking of the proviso to section 2(15) of the Act unless it is established that the purpose and object is profit motive. Ultimately, the issue was decided in favour of the assessee in the absence of any aliment of profit motive activities of the appellant-trust.

8.9 This issue further appeared before the Hon'ble Delhi High Court in the case of CIT(Exemptions)-vs-Patanjali Yogpeeth (NYAS). In that case the assessee received the amount from certain subscribers / donors in yoga camps who have provided corresponding benefits as appose to others. The Hon'ble Court held that the same could not be the basis for holding that membership fee was not a donation and had to be treated as income liable to tax and therefore the Tribunal's findings in favour

of the assessee has not been interfered with. Further that, the Hon'ble Supreme Court in the case of ACIT-vs-Surat Art Silk Cloth Manufacturers reported in 121 ITR 124 (SC) has been pleased to observe that expression 'for the purpose of profit' implies that the predominant object should be to earn profit. Further to determine the predominant object, it is required to examine the object of the society and not quantum of surplus though such quantum may become relevant in certain circumstance. With the essence of inspiration from the ratio laid down by the Hon'ble Apex Court in the aforesaid judgment conclusion can be drawn that the contribution on which TDS have been deducted amounting to Rs.4.5 crores being 6.6% of the total contribution Rs.68 crores, the appellant cannot be said to be a profit making organization when the pre-activity is entirely charitable in nature which has been rightly taken care of by the Learned CIT A and hence we confirm the same. In the result revenue's appeal is dismissed. "

8. It was thus held by the coordinate Bench that the predominant object of the trust was to provide practical and theoretical training in the field of yoga, which would ultimately provide medical relief to the society at large. Further that training of yoga by way of conducting yoga classes on a regular basis or in a systemized manner falls under category of 'imparting of education' as provided u/s 2(15) of the Act. It was categorically held that proviso to section 2(15) was not applicable in the case of the assessee and the signature program of the assessee "Sudarshan Kriya" did not fall within the residuary category of education or medical relief. On the course fee/donations received, shown as voluntary contribution including contributions from corporates - who had benefited out of these programs for their own staff - it was held that the predominant object was not to earn profit and merely because TDS was deducted on certain payments, the assessee can't be said to be a profit-making organization, when the pre-activity was entirely charitable in nature. The facts being identical in this year as well, we do not find any reason to deviate from the stand as taken above by the Co-ordinate Bench in the assessee's own case. Respectfully following the same, we affirm the order of the Ld. CIT(A) in respect of ground no-1. Since the assessee is found eligible for the deductions u/s 11 & 12 of the Act, the addition of Rs.18,00,38,753/- on account of disallowance of capital expenditure was rightly deleted by

the Ld. CIT(A). Accordingly, the order of the Ld. CIT(A) is upheld and the ground taken by the Revenue is dismissed.

9. Ground no.2 pertains to addition of Rs.2,11,98,372/- on account of disallowance of donation expenses. This ground too is found to be squarely covered by the decision of the Co-ordinate Bench of this Tribunal in assessee's own case vide order dated 03.09.2019. On this issue, it was held as under:

10. Ground No. 4 : The decision of the Learned First Appellate Authority in allowing the donation of Rs.1,53,22,500 as application of funds has been challenged before us by the revenue on the ground that the assessee's activities are not in the nature of charity as hit by section 2(15) of the Act. The assessee while computing the net profit has claimed a sum of Rs. 3,03,45,000 as donation and charities which was given to four different trusts. The assessee was informed that such induction towards donation will be allowed only on the basis of having recognition under section 80G of the Act. The assessee thereafter furnished the evidences in support of the three institutions excluding Divya Samaj Nirman Committee (DSNC) for being recognized under section 80G of the Act. The Learned AO, therefore, allowed 50% of the donation paid in respect of these three parties which was worked out to be Rs.1,50,22,500/- and balance amount of Rs.1,53,22,500/- has been disallowed and added to the total income of the assessee. The assessee's case before the authorities below is this that explanation to section 11(2) of the Act applies only in respect of the donations and contributions made in respect of accumulated income and not in respect of donations and contributions made from current income; since the amount in question which was donated from the current year income and not from the accumulated income the assessee was entitled to such deduction/exemption. The assessee on this aspect relied upon the judgement passed by the Hon'ble Delhi High Court in the matter of the DIT (Exemption) vs. M/S. Bagri Foundation where the court observed as follows

"what follows is that the amount accumulated cannot be donated to another trust. However, the said explanation does not place a total embargo on donations by one trust to another. It does not prohibit the trust from donating its entire income in a relevant year to another trust, as is the law as noticed in the Division Bench in Shri Ram Memorial Foundation. The embargo is only on the income of the trust not applied in the relevant year but accumulated set apart being donated to another trust..."

10.1. The assessee further relied upon the judgement passed in the matter of Gagan Education Society-vs-ACIT, reported in (2011) 131 ITD 442 wherein the assessee society donated certain sum to another charitable society out of current year's income and claimed deduction. The Hon'ble ITAT observed that the restriction imposed by section 11(3)(d) applies to income under section 11(2) and not to current year's income or to accumulation under section 11(1) and thus assessee's claim was allowed.

10.2. Therefore, if the donations have been made from the income of the previous year and not out of the accumulation under section 11(2) then the same be eligible to be considered as application of income as long as the recipients are charitable organizations. Having regard this particular aspect of the matter the AO has been further directed by the Learned CITA to verify as to whether these trust have the status of exemption under the Income Tax Act and also whether they are charitable organisation. Subject to such verification of the objects of the recipients the Ld AO was directed to treat the application of income of the assessee, which in our considered view is just and proper and without any ambiguity so as to warrant interference. The order passed by the Learned CIT(A) is, thus,, confirmed. Resultantly the appeal preferred by the revenue is dismissed."

10. We do not find any reason to deviate from the decision of the Co-ordinate Bench of this Tribunal on this issue. The AO is at liberty to verify the source of donation as to whether the donations were made from the income of the previous year and not out of the accumulation under section 11(2). Further, the AO may also verify as to whether the trusts to whom donations were made, had the status of exemption under the Income Tax Act and also whether they are charitable organisation. Subject to the liberty to carry out this verification as directed by the co-ordinate Bench, we affirm the order of the Ld. CIT(A) and the ground taken by the Revenue is dismissed.

11. Ground no.3 pertains to the addition of Rs.24,90,54,752/- on account of corpus donation which was claimed as exempt under section 11(1)(d) of the Act. This issue is also covered by the decision of the Tribunal in assessee's own case. The relevant paragraphs of the order dated 03.09.2019 is reproduced below: -

"11. Ground No.5 : The order impugned in allowing corpus donation of Rs.16,03,22,815/- has been challenged before us since the assessee's activities is not in the nature of charity as hit by section 2(15) as alleged.

11.1 Heard the respective parties, perused the relevant materials available on record. The Learned AO, as it appears from the order, has not granted the benefit under section 11 of the Act and further denied the benefit to the appellant under section 11(1)(d) of the Act. It further appears from the order impugned, that the Learned CIT(A) observed that Section 2(15) r.w.r. 13(8) of the Act is not applicable

to the case of the appellant and further that the appellant would eligible to claim benefit u/s 11 and 12 of the Act including the deduction u/s 11(1)(d) of the Act which has been confirmed by us in this appeal. The Learned CIT(A) has, therefore, directed the Learned Assessing Officer to verify whether the corpus donation were received or the voluntary donations have been received by the appellant with a specific direction taking into consideration the entire aspect of the matter, which in our considered opinion is just and proper without any infirmity so as to warrant interference. Thus the appeal preferred by the revenue is found to be devoid of any merit and hence dismissed. "

In view of the decision of the Co-ordinate Bench of this Tribunal in assessee's own case on this issue, we uphold the order of the Ld. CIT(A). The ground taken by the Revenue is dismissed.

12. Ground nos.4 & 5 pertain to addition of Rs.8,00,00,000/- on account of accumulation u/s 11(2) of the Act and addition of Rs.18,04,73,193/- on account of accumulation @ 15% u/s 11(1)(a) of the Act. These additions were made for the reason that the assessee was not held entitled to deduction under sections 11 & 12 of the Act. As already held earlier, the Co-ordinate Bench of this Tribunal has adjudicated the issue of eligibility of deduction under Section 11 of the Act. Since the assessee has been found to be eligible for the deductions, the disallowances made by the Assessing Officer were rightly deleted by the Ld. CIT(A). Accordingly, the decision of the Ld. CIT(A) on these issues is upheld. The grounds taken by the Revenue are dismissed.

13. Ground no.6 pertains to activities of the assessee Trust which was held by the Ld. CIT(A) to be for providing "education and medical relief as per Section 2(15) of the Act" and held as eligible for exemption under Sections 11 & 12 of the Act. This issue is also covered by the decision of this Tribunal dated 03.09.2019 in assessee's own case. We have already discussed the findings given in this regard while adjudicating the ground

no.-1. Accordingly, the decision of the Ld. CIT(A) on this issue is upheld. The ground taken by the Revenue is dismissed.

14. Ground no.7 pertains to granting exemption u/s 10(23)(iiia) of the Act. The finding of the Ld. CIT(A) on this issue is as under: -

Ground No.10 & 11 pertain to grant of exemption u/s.10(23C)(iiia) in respect of receipts of schools run in tribal areas. Facts of the issue are that appellant has claimed deductions u/s.35AC of the Act. Section 35AC provides for deduction of any expenditure incurred by the assessee on eligible projects or scheme. Since AO held the appellant to be hit by the proviso to section 2(15) and treated the entire receipts as income, this issue was not discussed in the Assessment Order even though the action of AO amounts to denial of this deduction also. This also a recurring issue in the appellant's case. The issue being factual AO is directed to verify whether appellant fulfils the condition as specified in section 35AC of the Act and allow the deduction accordingly.

The Revenue has been unable to controvert the findings of the Ld. CIT(A). The matter was rightly set aside by the Ld. CIT(A) to the Assessing Officer for factual verification and, thereafter, allowing relief to the assessee. We do not find anything wrong with the direction of the Ld. CIT(A). Accordingly, the order of the Ld. CIT(A) is upheld and the ground taken by the Revenue is dismissed.

15. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open Court on this 2 nd December, 2025.
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Sd/-
(SUCHITRA KAMBLE)
Judicial Member

Sd/-
(NARENDRA PRASAD SINHA)
Accountant Member

Ahmedabad, the 2nd December, 2025

PBN/*

Copies to: (1) *The appellant*
(2) *The respondent*
(3) *The PCIT*
(4) *The CIT(A)*
(5) *Departmental Representative*
(6) *Guard File*

By order

TRUE COPY

Assistant Registrar
Income Tax Appellate Tribunal
Ahmedabad benches, Ahmedabad