IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No.154 of 2014 (O&M)
Date of decision: 11.9.2014

Commissioner of Income Tax I, Ludhiana

……Appellant

Vs.

M/s Christian Medical College

…..Respondent

CORAM: HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MR. JUSTICE FATEH DEEP SINGH

Present: Mr. Rajesh Katoch, Advocate for the appellant.

Ajay Kumar Mittal,J.

1. This appeal has been preferred by the revenue under Section 260A of the Income Tax Act, 1961 (in short, "the Act") against the order dated 30.8.2013, Annexure A.II passed by Income Tax Appellate Tribunal, Chandigarh Bench 'A', (in short, "the Tribunal') in ITA No.620/CHD/2012 for the assessment year 2012-13, claiming following substantial questions of law:-

> "i) Whether on the facts and circumstances of the case, the Hon'ble ITAT was justified in law in holding that the assessee is entitled to the registration under Section 80G(5) of the I.T.Act, 1961?
> ii) Whether on the facts and in the circumstances of the case, the Hon'ble ITAT was correct in law in ignoring the fact that the primary aim of the society is to train Christian men and women as health professionals and thus the society was providing benefit of medical educational primarily to the persons of Christian faith?"

2. A few facts relevant for the decision of the controversy involved as narrated in the appeal may be noticed. The assessee society was established in the financial year 1949-50 and had been granted registration under section 12A of the Act. It had also been granted exemption under section 80G of the Act and the last exemption was granted vide order dated 28.7.2008 upto assessment year 2011-12. The assessee filed application in Form No.10G for renewal of exemption under Section 80G of the Act on 22.12.2010. The Commissioner of Income Tax Ludhiana (CIT) on perusal of the memorandum of association and bye-laws found that the aims and objects of the society were in violation of Explanation 3 to Section 80G(5)(iii) of the Act. It was held by CIT that the aims and objects of the assessee-Society were of religious nature and since "charitable purpose" does not include any purpose, the whole or substantially the whole of which is of a religious nature. The exemption granted was withdrawn by the CIT vide order dated 25.5.2012, Annexure A.1. Aggrieved by the order, the assessee filed appeal before the Tribunal. Vide order dated 30.8.2013, Annexure A.II, the Tribunal allowed the appeal. Hence the instant appeal by the revenue.

3. We have heard learned counsel for the appellant and perused the record.

4. The Tribunal while allowing the appeal of the assessee observed that the assessee was registered as a charitable institution under Section 12A of the Act and the registration granted thereunder was valid even for the current assessment year. The Tribunal further noticed that the assessee society was established and run by a minority Christian community but as the aim and object of the assessee was to train professionals in the

field of medical and health care and also to provide medical facilities in their hospitals to all persons of any caste, creed, race, language, religion etc., the activities carried out by the assessee were charitable in nature. The assessee had been running and maintaining Christian Medical College, Christian Dental College, Christian College of Nursing and other Institutions where medical care and training for the professionals was being provided by the assessee society to all irrespective of their caste, creed, race, religion etc. The findings recorded by the Tribunal read as under:-

> "13. In the facts of the present case, we find that the assessee was registered as charitable institution under section 12A of the Income Tax Act and the said registration is being continued to be granted to the assessee society even for the year under consideration. The primary aim of the assessee society was to train men and women as health professionals in the spirit of Jesus Christ and the said facility of training health professionals and medical care was to be provided without consideration of caste, race, creed, language and religion. Though in the primary para of the objects of the assessee society, it is mentioned that the primary aim was to educate and train Christians men and women as health professionals but in actual fact, the assessee society has been running and maintaining the Christian Medical College, Christian Dental College, Christian College of Nursing and other institutions, though on the ideals and principles in the spirit of Christian services, but for training the professionals of any caste, creed, race, religion etc. Similarly, the medical care is being provided by the assessee society to all irrespective of their caste, creed or religion etc. The learned AR for the assessee was directed to furnish the information in respect of the concessions being allowed to the patients by the assessee society and necessary evidence has been filed on record in this regard which clearly establishes the case of the assessee that the said facilities of

providing concessional medical and health care is provided to persons of any caste, creed or religion. The assessee society was established and run by a minority Christian community, but as the aim and object of the assessee society is to train professionals in the field of medical and health care and also to provide medical facilities in their hospital to all persons of any caste, creed, race, religion etc., we are of the view that the activities carried out by the assessee society are charitable in nature and consequently, the assessee is entitled to the registration under section 80G(5) of the Act. We find no merit in the order of the Commissioner of Income Tax in this regard and reversing the same, we hold that the renewal of registration under section 80G(5) is to be granted to the assessee society. The grounds of appeal raised by the assessee are, thus allowed."

5. In the light of the findings recorded by the Tribunal, which have not been shown to be illegal or perverse in any manner, no substantial question of law arises. The appeal stands dismissed.

(Ajay Kumar Mittal)
Judge

September 11, 2014
'gs'

(Fateh Deep Singh)
Judge