

## **Registration denied to trust formed to impart education to children of Christian community only**

**Summary – The Amritsar ITAT in a recent case of Alexandra School, (the Assessee) held that where assessee-trust had been formed to impart education primarily to children of Christian Minority Community and main objective of society-trust was to provide quality education in Christian environment, registration under section 12AA should be denied.**

### **Facts**

- The assessee-trust engaged in imparting education, filed an application for grant of registration under section 12AA.
- After perusing the aims and objectives of the assessee-trust, the Commissioner held that it was clear from the purpose and objectives of the trust that it was created and established for the benefit of a particular religious community or caste, i.e., Christian community. Therefore, the assessee trust was not entitled for registration under section 12AA.
- On appeal, the assessee submitted that the school was run by the members of the Christian Society; it was totally secular and dealt only with education, without any reservation of religion, caste and creed.

### **Held**

- The Commissioner has given adequate opportunity to the assessee-trust for establishing its case for grant of registration under section 12AA but the assessee-trust, in its reply dated 25-4-2013, mainly contended that the school is run by members of the Christian Society, and it is totally secular and deals with only education without any reservation of religion, caste and creed. On perusal of the PURPOSE of this association, it is clear that the purpose of this Association is to run and manage the Schools, for the purpose of imparting education primary to children of Christian Minority Community, for which it was founded that is to provide a sound education on a "Christian" basis to every girl/boy who voluntarily joins the Schools, in Christian atmosphere of love and service to all, regardless of caste, creed, colour, or distinction of any kind in order to produce enlightened and responsible citizens for India.
- Keeping in view the aforesaid purpose as the assessee-trust has been created only for the benefit of one particular religious community i.e. Christian, most of the societies after getting registered with the Registrar of Firms and Society, file an application under section 12A(a) in form no. 10A for grant of registration under section 12AA in order to get the benefit of exemption of its income in a routine manner but they do not practically render their services to public at large. In view of the requirement of section 12AA, it is the duty of the Assessing Officer to make inquiry as per direction of Commissioner and it is also the duty of the Commissioner that before granting registration to any

trust/society/institution, he should go through all relevant provisions of law for which the assessee will get the benefit after granting the registration. If the assessee has violated any conditions mentioned in any relevant provisions of law relating to the registration of trust/society/institution, then the registration should not be granted to any trust/society/institution. The Commissioner should fully satisfied himself about the genuineness of the activities of the trust or institution before granting registration to any society/institution. If there is any doubt in the aims and objectives of the Society/Institution who applied for registration under section 12AA, then the Commissioner can make an inquiry through concerned Assessing Officer about genuineness of the activities of the trust or institution. After completion of all formalities, which are required under section 12AA, the Commissioner is duty-bound to pass a speaking order for accepting or rejecting the request of the society/institution.

- In the present case, it is very much clear from the purpose of the assessee-trust that the assessee-trust had been formed to impart education primary to children of Christian Minority Community, Secondly, the main objective of the society-trust was to provide quality education in the Christian environment, which is also contrary to the law.
- The entire administration of the assessee-trust was controlled by Christian people. No outsider has been engaged in the administration of the assessee-school, meaning thereby, that assessee-school had been created only for the benefit of particular religious community. Therefore, Commissioner *vide* impugned order dated 26-4-2012 has rightly rejected the application filed by the assessee for grant of registration under section 12AA.