IN THE INCOME TAX APPELLATE TRIBUNAL
CHENNAI BENCH 'B' : CHENNAI

[BEFORE DR. O.K. NARAYANAN, VICE-PRESIDENT AND
SHRI HARI OM MARATHA, JUDICIAL MEMBER]

I.T.A Nos. 1996 & 1997/Mds/2010
Assessment year : N.A

M/s Zion Parvatham C/o S. Sridhar Advocate New No.14, Old No.82, Flat No.5 1st Avenue, Indira Nagar Adyar, Chennai – 600 020	**vs**	The ITO Ward I(1) Tuticorin
(Appellant)		(Respondent)

Appellant by : Shri S. Sridhar
Respondent by : Shri P.B Sekaran

O R D E R

PER HARI OM MARATHA, JUDICIAL MEMBER:

These appeals filed by the assessee-trust, are directed against separate order of the ld. CIT-I, Madurai, but dated 22.10.2009, by which he has refused to grant registration u/s 12AA and also approval u/s 80G of the Income-tax Act, 1961 (hereinafter referred to as 'the Act' for short).

2. The main reasons given to deny the above claim of the assessee-trust are that it was created on 11.8.2000 by Pastor P. Benjamin Selvaraj and Smt. B. Thankamalar, w/o Shri Benjamin, who were declared as the Chairman-cum-Treasurer and Secretary of the trust respectively. Although the objects of the trust are definitely charitable in nature, being predominantal as preaching and propagating Christian religion and also running educational institutions, hospitals etc. The trust property was found to be only of ₹1,000/- and the trustees were having very low income. It was observed that the trustees were not highly qualified and thus did not possess competence to run any charitable organization. After accepting that the objective of the trust has been shown as religious, but has sought registration as a Public Charitable Trust and as such, the applicant is not clear about its own stand. Therefore, after referring to the term 'Zion' used in the name of the trust which mean 'City of Jerusalem' or 'Holy land of Israel', the ld. CIT has concluded that both on facts as well as in law, the trust does not exist either as a charitable or as a religious one. He refused registration u/s 12AA and also did not grant approval u/s 80G of the Act to the assessee-trust. The assessee is aggrieved.

3. After hearing both sides, we have found that the objects of the trust are charitable in nature. We do not dispute that the powers of the ld. CIT to conduct enquiries to ascertain the genuineness of the trust. But, in this case, we are afraid that there is no such reason to come to a conclusion that the trust in question is not having the charitable objects. The use of a term in the name of the trust cannot be a factor for grant of registration. The name is name and it cannot be given any different connotation unless otherwise revealed and mentioned in the deed itself. In so far as meager income of the trust and meager property or fund of the trust are concerned, these are also not hindrances in the way of granting registration and for that matter granting of approval u/s 80G of the Act. As was correctly pointed by the ld.AR that the trust was aiming to carry out its charitable objects. Since the trust's objects are charitable in nature and the activities of the trust are not found to be in violation of its objects, we do not think that the trust is not entitled to registration u/s 12AA of the Act. Consequently, we direct the ld. CIT to grant registration to the trust u/s 12AA of the Act as per law and also grant approval u/s 80G of the Act.

4. In the result, both the appeals of the assessee are allowed.

Order pronounced in the open court on 12.1.2011.

Sd/-	Sd/-
(DR. O.K. NARAYANAN)	**(HARI OM MARATHA)**
VICE-PRESIDENT	JUDICIAL MEMBER

Dated: 12th January, 2011
RD

Copy to: Appellant/Respondent/CIT(A)/CIT/DR