

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH: CHENNAI**

श्री जॉर्ज माथन, न्यायिक सदस्य एवं
श्री ए. मोहन अलंकामणी, लेखा सदस्य के समक्ष

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER, AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.1237, 1238 & 1239/Mds/2016
निर्धारण वर्ष /Assessment Years: 2010-11, 2011-12 & 2012-13

The Income Tax Officer
(Exemptions), Ward-1, Aayakar
Bhavan, Annexe Building, III Floor,
121, M.G.Road, Nungambakkam,
Chennai-600 034.

Vs. M/s.Alliance Francaise of
Madras, No.24 (Old No.40)
College Road, Chennai-600
006.

[PAN: AABTA 2098 R]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by	:	Smt.R.Rajeswari, JCIT
प्रत्यर्थी की ओर से /Respondent by	:	Shri S.Sridhar, Adv.
सुनवाई की तारीख/Date of Hearing	:	10.07.2017
घोषणा की तारीख /Date of Pronouncement	:	10.07.2017

आदेश / O R D E R

PER GEORGE MATHAN, JUDICIAL MEMBER:

These are three appeals filed by the Revenue against the Order of Commissioner of Income Tax (Appeals)-17, Chennai, in ITA No.159/13-14' 78/14-15 & 23/15-16 dated 23.02.2016 for the AYs 2010-11, 2011-12 & 2012-13 .

2. Smt.R.Rajeswari, JCIT, represented on behalf of the Appellant and Shri S.Sridhar, Adv., represented on behalf of the Respondent.

3. As the issues in the Revenue appeals are identical, all the three appeals are disposed by a common order.

It was submitted by the Ld.DR that the assessee is registered u/s.12AA of the Act. In the course of the assessment, it was noticed that the assessee was having income in the form of Membership Fee from the students, income from sale of Text Books & Cassettes, income from Translation Charges and corporate teaching courses. It was a submission that the said transactions were in the nature of commercial business of running coaching institute and was consequently not eligible for exemption u/s.11 of the Act. It was a submission that the principal and primary activity of the assessee was claimed to be the diffusion of useful knowledge regarding French. It was a submission that the assessee running the coaching classes in French and collecting tuition fee and also income from sale of text books, translation charges and Membership Fees was not entitled to the benefit of the exemption u/s.11 of the Act. It was a submission that Ld.CIT(A) had allowed the claim of the assessee. It was the submission that the order of the Ld.CIT(A) was liable to be reversed.

4. In reply, the Ld.AR vehemently supported the order of the Ld.CIT(A). It was a submission that benefit of registration u/s.12A had not been disturbed and there was no denial of exemption u/s.11 for any of the earlier years in respect of the said incomes. He drew our attention to Page Nos.5 & 6 of the order of Ld.CIT(A). It was a submission that the order of the Ld.CIT(A) may be sustained.

5. We have considered the rival submissions. A perusal of the order of Ld.CIT(A) clearly shows that the Ld.CIT(A) has taken into consideration the fact that the assessee's society is conducting classes and examination for the students leading to obtain degrees or diplomas prescribed by the Education Ministry of France. The course contents and the syllabus and the curriculum have all been prescribed by the French Education Ministry. It has also noticed that the Ld.CIT(A) has verified and has come to the conclusion that the fees charged is not on commercial terms and was only to recoup the expenditure incurred on staff salaries, administrative expenses, upkeep and maintenance of infrastructure, and purchases of capital assets to expand its activities. It has also noticed that the Ld.CIT(A) has given a categorical finding that the surplus arising on account of the activities of the assessee is ploughed back into the society for maintaining and expanding its infrastructure and no part of such surplus is distributed to the Members or given to the governing body of the Members as remuneration. The Revenue has not been able to dislodge any of these findings as arrived at by Ld.CIT(A). This being so,

we are of the view that the findings of the Ld.CIT(A) on these issues are on a right footing and does not call for any interference.

6. In the result, the appeals filed by the Revenue are dismissed.

Order pronounced in the Open Court on July 10, 2017, at Chennai.

Sd/-

(ए. मोहन अलंकामणी)

(A. MOHAN ALANKAMONY)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(जॉर्ज माथन)

(GEORGE MATHAN)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: July 10, 2017.

TLN

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)
4. आयकर आयुक्त/CIT
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF