

**IN THE INCOME TAX APPELLATE TRIBUNAL "F" BENCH, MUMBAI
BEFORE SHRI RAJENDRA, AM AND SHRI RAVISH SOOD, JM**

ITA No. 5453/Mum/2015
(निर्धारण वर्ष / Assessment Year:2011-12)

Fragrance and Flavours Association of India; 2-B, Coutr Chambers, 28 Sir Vithaldas Thackeray Marg, Churchgate, Mumbai-400 020	बनाम/ Vs.	DDIT (E) – 1(2), Mumbai.
स्थायी लेखा सं./जीआइआर सं./PAN No.		AAAAF0029K
(अपीलार्थी / Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओर से / Appellant by	:	Shri Anil Sathe, A.R
प्रत्यर्थी की ओर से / Respondent by	:	Ms. Padmaja, D.R

सुनवाई की तारीख / Date of Hearing	:	08.12.2017
घोषणा की तारीख / Date of Pronouncement	:	08.12.2017

आदेश / O R D E R

PER RAVISH SOOD, JUDICIAL MEMBER:

The present appeal filed by the assessee is directed against the order passed by the CIT(A)-1, Mumbai, dated 24.09.2015, which in itself arises from the order passed by the A.O under Sec. 143(3) of the Act, 1961 (for short 'Act'), dated 24.02.2014. The assessee assailing the order of the CIT(A) had raised before us the following grounds of appeal:-

- “1. The Learned Commissioner of Income tax (Appeals) erred in confirming the denial of exemption u/s 11 to the appellant trust by holding that the activities of the appellant are commercial in nature without taking a holistic view of the activities of the trust.
2. The Learned Commissioner of Income tax (Appeals) failed to appreciate that the object of the trust for conducting the seminars was to impart knowledge, spread awareness and develop the sector of Fragrances & Flavours, and not to earn surplus and that the resulting surplus is only incidental.
3. The Learned Commissioner of Income-tax (Appeals) erred in not appreciating that the main purpose for introduction of a proviso to section 2(15) was to cover only those organizations which are essentially trading organisations but are camouflaged as charitable one; and whereas objects of the appellant trust being charitable is well established.
4. The Learned Commissioner of Income tax (Appeals) erred in holding that there is no strong proof available with the appellant that it had ever contributed in the area of research work which would benefit the entire nation as claimed by the appellant.
5. The Learned Commissioner of Income tax (Appeals) erred in holding that the surplus from Bangalore seminar to the tune of Rs. 83.77 lakhs as against the deficit of Rs. 1.36 lacs from journal activity proves that the appellant has been behaving in the style of a prudent businessman only.
6. The Learned Commissioner of Income tax (Appeals) erred in placing undue emphasis on a single seminar, without considering the entire activities of the association in a holistic manner.
7. The Learned Commissioner of Income tax (Appeals) erred in holding that the main activity of the appellant is sponsoring of events which cannot be termed as an incidental activity.
8. The Learned Commissioner of Income tax (Appeals) erred in not appreciating that section 2(15) defines ‘charitable purpose’ and the proviso thereto applies only if the object is in nature of a general public utility. The proviso would not apply to the appellant as its main object was that of enhancing & enriching knowledge, through research and allied activities and therefore fell within the ambit of education.
9. In the alternative and without prejudice to the above grounds. The Learned Commissioner of Income tax (appeals) erred in not allowing the alternative plea of the appellant for benefit of principle of mutuality.
10. The Learned Commissioner of Income tax (Appeals) erred in not appreciating that the decision of Supreme Court in Bangalore Club in Bangalore Club vs. CIT deals only with the interest earned on FDs kept with Members Banks and not with the surplus earned on other mutual activities.
11. The appellant craves leave to add, alter or amend any of the grounds of appeal at any time or at the time of hearing.”

2. Briefly stated, the facts of the case are that the assessee is a trust registered with Director of Income-tax (Exemptions), Mumbai under Sec. 12A. The objects of the assessee trust was to promote co-operation and friendly feeling amongst the persons, firms and companies engaged in or connected with the Fragrance and Flavours Trade and Industry in India and to promote and safeguard the interest of the Trade and Industry. The assessee trust had filed its return of income on 29.09.2011 alongwith the Income & Expenditure Account, Balance Sheet and Audit Report in Form 10B, declaring total income at Rs. 1,18,220/- after claiming exemption under Sec. 11 of the Act. The case of the assessee was taken up for scrutiny assessment under Sec. 143(2).

3. The A.O during the course of the assessment proceedings observed that the activities of the assessee were primarily in the nature of “advancement of any other object of general public utility” only. That it was further observed by the A.O that the assessee was engaged in certain activities which were commercial in nature and had during the year under consideration received amounts from carrying out the same, as under:

S.No.	Activity as per accounts	Receipts from this activity (Rs.)	Observation of the A.O about the nature of activity
1	Subscription received	12,11,250.00	Commercial in nature
2	Sale of publications	11,000.00	Commercial in nature
3	Fafai journal	(-) 1,36,934.60	Commercial in nature
4	Workshop & conference	52,208.00	Commercial in nature
5	Bangalore Seminar	83,77,520.68	Commercial in nature

6	Directory receipts	29,976.25	Commercial in nature
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4. The A.O observed that Sec. 2(15) was amended vide the Finance Act, 2008 by adding a *proviso*, which provided that w.e.f 01.04.2009 the “advancement of any other objects of public utility” shall not be a charitable purpose, if the same involved the carrying of :

- (a). any activity in the nature of trade, commerce or business; or
- (b). any activity of rendering any service in relation to trade, commerce or business;

,for a cess or fee or any other consideration exceeding the amount contemplated therein, irrespective of the nature of use or application or retention of the income from such activity. Still further, the A.O observed that as per Sec. 13(8) made available on the statute w.e.f 01.04.2009, no exemption under Sec. 11 was to be made available to such entities which could not be construed to be charitable on account of the amendment made available to Sec. 2(15). Thus in the backdrop of the aforesaid deliberations the A.O observing that the objects of the assessee were in the nature of “advancement of any other object of general public utility” and it was involved in certain activities which were *prima facie* commercial in nature, therefore, called upon the assessee to explain as to why in light of Sec. 13(8) r.w.s 2(15) of the Act [as amended vide Finance Act, 2008] its claim for exemption under Sec. 11 may not be declined.

5. The assessee submitted before the A.O that its activities were directed towards providing knowledge, information, awareness, demonstrations etc. to the Fragrance and Flavours industry, which were essential to understand the development of the industry in India. The assessee submitted before the A.O that as its activities were clearly covered by the definition of ‘general public utility’, therefore,

the same were clearly covered by the definition of 'Charitable purpose' as defined under Sec. 2(15) of the Act. The assessee submitted that it had in furtherance of its objects, in order to promote unity and fraternity amongst the traders and dealers in Flavour and Fragrance Industry, Aroma chemicals, Natural Essential oils as well as related allied fields conducted various workshops, symposiums, get togethers, study trips all over India to support the constant learning strive. The assessee further submitted that it was also publishing an in house journal titled "FAFAI Journal" to help the manufacturers and traders to reach out to the right kind of consumer base. The assessee submitted before the A.O that it was through its activities working as a mediator between base farmers, trade & industry people, government and other statutory bodies, which facilitated removing of gaps between them. The assessee further referring to the various activities carried out by it during the year under consideration submitted that the same were in furtherance of the charitable activities of the assessee trust and not for promoting any commercial activities. The assessee referring to the various activities carried out by it during the year under consideration, which were characterised by the A.O as commercial activities, viz. (i). Subscription received; (ii). Sale of publications ; (iii). Fafai Journal ; (iv). Workshop & Conference; (v). Bangalore Seminar; and (vi) Directory receipts, therein demonstrated before the A.O that all of the said respective activities were for the furtherance of the general public utility object of the assessee and could by no means be construed as commercial activities. However, the explanation of the assessee did not find favour with the A.O. The A.O by taking cognizance of the fact that the assessee had collected sponsorship fees of Rs. 83,77,520.68 by allowing members of the industry to display their products at the seminar held at Bangalore, thus, held a conviction that the aforesaid

services provided by the assessee were clearly in the nature of commercial activities within the meaning of Sec. 2(15). The A.O on the basis of his aforesaid observations concluded that as the assessee was clearly carrying on commercial activities, therefore, it was not entitled for claim of exemption under Sec. 11 of the Act. The A.O while declining the claim of exemption raised by the assessee under Sec. 11, was also not persuaded to accept the contention of the assessee that as it was not carrying on the aforesaid activities with any profit motive, therefore, it was not disentitled towards its claim of exemption under Sec. 11. The A.O on the basis of his aforesaid observations denied the claim of exemption under Sec. 11 and assessed the income of the assessee at Rs. 1,01,73,440/-.

6. Aggrieved, the assessee assailed the order of the A.O before the CIT(A). The assessee submitted before the CIT(A) that as its activities were not with the intention to make any profit, but rather, were in the nature of research and for the benefit of the Fragrance and Flavors Industry, therefore, the A.O had erred in characterising the same as commercial activities. It was further stressed by the assessee that as the sponsoring of events at the seminar held at Bangalore was in the nature of an activity which was incidental to the furtherance of its main object of holding of the seminar in the very interest of the Fragrance and Flavors Industry, therefore, it could not be held to have been involved in carrying on of commercial activities. The assessee further averred before the CIT(A) that its intention behind carrying the aforesaid activities was not to earn profit, but to educate the members of the industry. Alternatively, it was submitted by the assessee that even otherwise the receipts in its hands from the aforesaid activities could not be subjected to tax in light of the principle of mutuality. However, the contentions of the assessee did not find favour with the

CIT(A), who upheld the order of the A.O and dismissed the appeal of the assessee.

7. The assessee being aggrieved with the order of the CIT(A) had carried the matter in appeal before us. The Ld. Authorised Representative (for short 'A.R') for the assessee at the very outset submitted that the assessee by raising the Grounds of appeal No. 1 to 8 had assailed the validity of the observations of the lower authorities that the assessee was carrying on commercial activities. The ld. A.R submitted that holding of seminars was one of the main objects of the assessee trust and was not incidental for attaining of the same. The ld. A.R submitted that the seminar at Bangalore was the only international seminar carried out by it. It was submitted by the ld. A.R that as the assessee was not holding the seminars as a regular and systematic activity, therefore, the holding of the international seminar at Bangalore for the purpose of furtherance of the objects of the assessee trust and benefit of the Fragrance and flavours industry could not be characterised as a commercial activity. The ld. A.R further submitted that the assessee trust had during the year under consideration carried out research activities in furtherance of its objects. The ld. A.R in the backdrop of his aforesaid submissions averred that both the lower authorities loosing sight of the fact that the activities of the assessee trust were not in the nature of commercial activities, but rather, were in the furtherance of its objects, had thus misconceived the factual position and declined the entitlement of the assessee towards claim of exemption under Sec. 11. The ld. A.R submitted that where a mutual association was formed for the purpose of the general benefit of its members, then in the absence of any motive of private profit the same would duly be entitled for claim of exemption under Sec. 11. The Ld. A.R in support of his aforesaid contention relied on the judgment of the **Hon'ble High**

Court of Delhi in the case of **Chamber of Commerce & Industry Vs. Director of Income Tax (Exemptions) (2014) 265 ITR 318 (Del).**

The ld. A.R averred that the holding of an international seminar by the assessee at Bangalore for furtherance of its object of development of industry of flavours and fragrance, in the course of which it had displayed the products of the members of the industry who had sponsored the seminar could not be construed and characterised as a commercial activity. The ld. A.R in order to buttress his aforesaid contention relied on the order of the ITAT, Kolkata, in the case of **Indian Chamber of Commerce Vs. Income Tax Officer (2015) 167 TTJ 1 (Kolkata)**. Thus, in the backdrop of the aforesaid contentions it was submitted by the ld. A.R that the lower authorities by wrongly concluding that the assessee was carrying on commercial activities had wrongly divested the assessee of its statutory entitlement of claim of exemption under Sec. 11. Per contra, the ld. Departmental representative (for short 'D.R') relied on the orders of the lower authorities. It was submitted by the ld. D.R that both of the lower authorities observing that the assessee was carrying on commercial activities, had thus, keeping in view the post amended definition of the term 'Charitable purpose' as contemplated in Sec. 2(15), as made available on the statute vide the Finance Act, 2008 w.e.f 01.04.2009, rightly concluded that the assessee trust was not entitled for claim of exemption under Sec. 11 of the Act.

8. We have heard the authorised representatives for both the parties, perused the orders of the lower authorities and the material available on record. We find that our indulgence in the present appeal is sought for adjudicating as to whether the claim of the assessee for exemption under Sec. 11, in the backdrop of the post amended definition of the term 'Charitable purpose' in Sec. 2(15) made available on the statute vide the Finance Act, 2008, w.e.f 01.04.2009 is in order,

or not. We find that pursuant to the post amended Sec. 2(15), the legislature in all its wisdom by making available the *proviso* to the said statutory provision had narrowed down the scope and gamut of the definition of the term 'Charitable purpose', to the extent the same is relatable to the "advancement of any other object of general public utility". That as per the amended Sec. 2(15), the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business OR any other activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application or retention of the income from such activity.

9. We have given a thoughtful consideration to the issue before us. We find that the assessee is registered as a Charitable organization under Sec. 12A with the Director of Income-tax (Exemption), Mumbai. That as the activities of the assessee were primarily in the nature of "advancement of any other object of general public utility", therefore, the A.O being of the view that as per the post amended definition of the term 'Charitable purpose' in Sec. 2(15) the commercial activities of the assessee could no more be held as being for charitable purpose, as a result whereof the assessee stood disentitled for claim of exemption under Sec. 11 of the Act. We find that the assessee had declined that it was carrying on any commercial activities and had rather by referring to its activities which had been taken cognizance of by the A.O, viz. (i). Subscription received; (ii). Sale of publications ; (iii). Fafai Journal ; (iv). Workshop & Conference; (v). Bangalore Seminar; and (vi) Directory receipts, submitted that the said respective activities were for the furtherance of the general public utility object of the assessee, which by no means could be construed as commercial activities.

10. We have deliberated on the observations of the lower authorities and find that the A.O had concluded that the assessee was carrying on commercial activities, primarily for the reason that it had generated substantial revenue from the seminar held at Bangalore. We have given a thoughtful consideration to the issue before us and have deliberated at length on the contentions of the ld. A.R in the backdrop of the facts of the case. We find that the activities of the assessee trust were directed towards providing knowledge, information, awareness, demonstrations etc. to the members of the Fragrance and Flavours industry. The activities of the assessee were essential to understand the development of the said industry in India. We have deliberated on the nature of activities of the assessee trust and are of the considered view that all of its activities, viz. receipts by way of subscriptions from the members, sale of publications, Fafai Journal, holding of workshops & conferences, directory receipts and holding of the seminar at Bangalore, were activities which were aimed for furtherance of the very object of the assessee trust, viz. providing knowledge, information, awareness, demonstrations etc. to the members of the Fragrance and Flavours industry. We are of the considered view that the providing of the aforesaid services were indispensably required to facilitate the furtherance of the very interest of the Fragrance and Flavours industry. Rather, we are of a strong conviction that in the absence of the aforesaid activities of the assessee trust, which as observed by us hereinabove can safely be held to have been indispensably required for the growth of the industry and giving its members an exposure to the developments in the industry and keeping pace with the day to day changes and innovations in the industry, the objects of the assessee trust would have been frustrated and rendered as merely dumb and name sake in nature, defeating the very purpose for which it was set up. We find

that a perusal of the orders of the lower authorities reveals that their view that the assessee was involved in carrying on of commercial activities within the meaning of Sec. 2(15), was primarily guided by the fact that the products of the sponsors from whom sponsorship fees were received by the assessee were displayed at the seminar held at Bangalore. We are of the considered view that the holding of the seminar at Bangalore was in furtherance of the main object of the assessee trust of empowerment, betterment and creating awareness amongst the industrialists in order to bring about the development of the Fragrance and Flavours industry in India. We further find that the assessee was not by way of a regular and systematic activity carrying on such seminars, and as observed by us hereinabove, the seminar at Bangalore was the only international seminar held by the assessee trust. We are further of the considered view that no such inextricable nexus between the receipt of sponsor fees by the assessee and display of the products of the sponsors does emerge, on the basis of which the same could safely be characterised as a commercial activity.

11. We are of the considered view that the fact that holding of the seminar at Bangalore by the assessee was in furtherance of the dominant object of the assessee, viz. empowerment, betterment and creating awareness amongst the industrialists of the Fragrance and Flavours industry, and display of the products of the sponsors can safely be concluded to be for furtherance of and in the interest of the members of the trade. We are unable to persuade ourselves to be in agreement with the view of the A.O that as the products of the sponsors were displayed at the seminar held at Bangalore, therefore, on the said stand alone basis the assessee was to be held to have carried on commercial activities. We are of the considered view that on a close analysis of the aforesaid activities of the assessee trust, which if viewed in a broader perspective and pitted against the dominant

object of the assessee to hold a seminar for furtherance of and in the interest of the members of the industry, cannot be characterised as a commercial activity We find that the **Hon'ble Jurisdictional High Court** in the case of **Director of Income-tax Vs. Womens India Trust (2015) 379 ITR 506 (Bom)** had upheld the observations of the Tribunal that where a trust formed to carry out the object of education and development of natural talents of the people having special skills, more particularly the women in the society, had in the course of imparting to them training in the field of catering, stitching, toy making, etc., therein carried out sale of certain finished products, viz. pickles, jams, etc. which were in the course of such training produced by them, through shops, exhibitions and personal contracts, the same could not be held to be activities in the nature of trade, commerce or business as contemplated in the *proviso* of Sec. 2(15). We find that the view of the Tribunal that as the dominant object of trust was to teach or impart skills and to instill confidence, therefore, the sale of the goods or articles produced in the course of such training could not be construed as carrying on of trade, commerce or business, did find favour with the Hon'ble High Court. We find that in the case of the assessee before us, the holding of the seminars and carrying on of other activities, viz. receipt of subscriptions from the members, sale of publications, Fafai Journal, holding of workshops & conferences, directory receipts etc., were activities which were carried out in order to facilitate the furtherance of the dominant object of the assessee trust, viz. providing knowledge, information, awareness, demonstrations etc. to the members of the Fragrance and Flavours industry, therefore, neither the carrying on of either of the aforesaid activities, specifically the display of the products of the sponsor members of the industry in the course of the seminar at Bangalore, which we find had been emphasized by the revenue as the primary

reason for concluding that the assessee was carrying on commercial activities could be held as such and brought within the sweep of the *first proviso* of Sec. 2(15). We further find that the **Hon'ble High Court of Madras** in the case of **Director of Income Tax (Exemption) Vs. The Chartered Accountant Study Circle (2012) 250 CTR 70 (Mad)**, had the occasion to deliberate on the scope and gamut of the first proviso of Sec. 2(15) in the case of an assessee trust whose objects among other things was to conduct periodical meetings on professional subjects. The High Court observed that the publishing and sale of books, booklets etc. on professional subjects related to audit and not on any other subject by the assessee. The sale of the books was primarily made to the members of the society, as well as made available to the general public, with the aim to help the society to get better, well-equipped and skilled set of Chartered Accountants for maintaining audit quality, which however could not be construed as a trade or commerce or business. Thus, the High Court observed that the activities of the assessee trust in publishing and selling books of professional interest, which were meant to be used as a reference material even by the general public as well as the professionals in respect of Bank Audit, Tax Audit, etc., could not be construed as a commercial activity. We are of the considered view that in the case of the present assessee before us, the services, viz. receipt of subscriptions from the members, sale of publications, Fafai Journal, holding of workshops & conferences, directory receipts etc., were provided for facilitating the dominant object of the assessee trust, viz. providing knowledge, information, awareness, demonstrations etc. to the members of the Fragrance and Flavours industry. We further find that even the display of the products of the sponsors of the seminar at Bangalore, who were primarily the members of the industry, was also in furtherance of the interest of the members of the industry, i.e both

by facilitating the very holding of the seminar, as well as providing them knowledge and information of the wide range of products available in the industry. We are thus of the view that the aforesaid activities of the assessee trust before us, in the backdrop of the aforesaid observations of the High Court of Madras can safely be held to be in the course of furtherance of the dominant object of the assessee trust, and would not fall within the realm of commercial activities. We further find that a similar view had also been taken by the **Hon'ble High Court of Delhi** in the case of **The Institute of Chartered Accountants Of India Vs, Director General of Income Tax (Exemption) (2013) 260 CTR 1 (Del)**. The High Court held that no doubt the assessee institute was holding classes and providing coaching facilities for the members and articled clerks etc. who wanted to appear in the examination conducted by the Institute of Chartered Accountants, but these classes were not held for coaching or for appearance in an examination conducted by some other entity. The High Court observed that as conducting of coaching classes was with the predominant object of maintaining and upholding the standards of the accountancy profession and in furtherance of the object and purpose for which the institute was established, i.e., professional excellence and promotion of accountancy as a preferred profession, and to sharpen the skills and knowledge of the members of Institute who would attend the courses/lectures etc., therefore, the activities of providing coaching classes or undertaking campus placement interviews for a fee were in relation to the main object of the assessee institute, which could not be held to be trade, business or commerce. The High Court while concluding as hereinabove, had observed as under:

“After going through the provisions of the ICAI Act and the Regulations framed therein as well as various activities carried on by the petitioner, we are of the view that the petitioner institute does not carry on any

business, trade or commerce. The activity of imparting education in the field of accountancy and conducting courses both at pre-qualification as well as post-qualification level are activities in furtherance of the objects for which the petitioner has been constituted. Activities of providing coaching classes or undertaking campus placement interviews for a fee are in relation to the main object of the petitioner which as stated earlier cannot be held to be trade, business or commerce. Accordingly, even though fees are charged by the petitioner institute for providing coaching classes and for holding interviews with respect to campus placement, the said activities cannot be stated to be rendering service in relation to any trade, commerce or business as such activities are undertaken by the petitioner institute in furtherance of its main object which as held earlier are not trade, commerce or business.”

We are further of the considered view that the *proviso* to Sec. 2(15) is not aimed at excluding genuine charitable trusts of general public utility, but rather, a trust would not be held to be for ‘Charitable purpose’, if it is engaged in any activity in nature of trade, commerce or business or renders any service in relation to trade, commerce or business for a cess, fee and/or any other consideration. We find that our aforesaid view is fortified by the judgment of the **Hon’ble High Court of Gujarat** in the case of **DIT (Exemption) Vs. Sabarmati Ashram Gaushala Trust (2014) 362 ITR 539 (Guj)**.

12. We thus in the backdrop of our aforesaid observations are of the considered view that activities of the assessee trust which was set up for a charitable purpose within the meaning of Sec. 2(15) of the Act, viz. advancement of an object of the general public utility were well within the realm of charitable purpose for which it was set up. We are of the view that as deliberated by us at length hereinabove, the holding of the seminar at Bangalore and the other activities of the assessee trust, viz. receipt of subscriptions from the members, sale of publications, Fafai Journal, holding of workshops & conferences, directory receipts were incidental to and in furtherance of the main object of securing the advancement and development of the Fragrance and Flavours industry in India. We are further of the considered view

that the aforesaid activities of the assessee trust are neither in the nature of trade, commerce or business, nor an activity rendered in relation to any trade, commerce or business. We further find that the activities of the assessee trust are not with any motive to earn profit, which though we are not oblivious would not conclusively determine as to whether an activity is in the nature of a trade, commerce or business, but then, the same undoubtedly remains a crucial factor for characterising an activity, as one. We find that the surplus arising to the assessee is only incidental and ancillary to the dominant object of the assessee, viz. advancement and development of the Fragrance and Flavours industry in India. We further find that the surplus generated by the assessee trust was utilized only for the purpose of feeding its dominant object, and no part of such surplus was distributed amongst its members. We have deliberated on the records pertaining to the nature of the activities of the assessee trust, and have observed that the generation of the surplus in its hands was merely a by-product of its main object, which had incidentally resulted in the course of furtherance of its dominant object, viz. advancement and development of the Fragrance and Flavors industry in India. We are further of the view that as the international seminar at Bangalore was held by the assessee for the very first time, and the assessee was neither holding such type of seminars by way of a regular and systematic activity, nor for the general public at large, therefore, on the said count also the same can safely be held as not being in the nature of a commercial activity. We have also deliberated on the order of the ITAT, Kolkata, in the case of **Indian Chamber of Commerce Vs. Income Tax Officer (2015) 167 TTJ 1 (Kolkata)** as had been relied upon by the ld. A.R, and find that a similar view in context of the issue before us was taken by the coordinate bench of the Tribunal.

13. We thus, in the backdrop of our aforesaid observations are unable to persuade ourselves to be in agreement with the view of the lower authorities that the assessee was involved in carrying of commercial activities. We thus being of the view that as the assessee is carrying on its charitable activities, which are in the nature of advancement of the object of general public utility and is not carrying on any commercial activity, therefore, uphold the entitlement of the assessee towards claim of exemption under Sec. 11 of the Act. We thus in terms of our aforesaid observations set aside the order of the CIT(A).

14. The appeal of the assessee is allowed.

Order pronounced in the open court on 08/12/2017.

Sd/-
(RAJENDRA)

ACCOUNTANT MEMBER
मुंबई Mumbai; दिनांक 08.12.2017
Rohit

Sd/-
(RAVISH SOOD)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त(अपील) / The CIT(A)-
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई /
DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

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उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT,
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