

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES 'G', NEW DELHI**

Before Sh. Amit Shukla, Judicial Member

Dr. B. R. R. Kumar, Accountant Member

ITA No. 5247/Del/2016 : Asstt. Year : 2012-13

Income Tax Officer, Ward-2(4), New Delhi	Vs	M/s Praxis-Institute for Participatory Practices, BB-5, 2 nd Floor, Greater Kailash, Enclave-2, New Delhi-110048
(APPELLANT)		(RESPONDENT)
PAN No. AAFFP7881Q		

CO No. 337/Del/2016 : Asstt. Year : 2012-13

M/s Praxis-Institute for Participatory Practices, BB-5, 2 nd Floor, Greater Kailash, Enclave-2, New Delhi-110048	Vs	Income Tax Officer, Ward-2(4), New Delhi
(APPELLANT)		(RESPONDENT)
PAN No. AAFFP7881Q		

Assessee by : Sh. Rajeev Kumar Jha, CA

Revenue by : Sh. N. K. Bansal, Sr. DR

Date of Hearing: 28.08.2019

Date of Pronouncement: 02.09.2019

ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

The present appeal has been filed by the Revenue against the order of the Id. CIT(A)-40, New Delhi dated 05.07.2016.

2. Only one ground has been raised in this appeal:

"1. On the facts and in the circumstances of the case and in law, the Id. CIT (A) has erred in allowing exemption u/s 11(1) of the Act and treating the same as charitable institution as activities of assessee are in the nature of trade, commerce or business and the

case is covered by the new proviso to section 2(15) of the Act.”

3. The assessee is registered under the Societies Registration Act, 18650 on 14/08/1997 and is also registered u/s 12A on 10.03.1999 and is also notified u/s 80G on 25.09.2008. The main objects of the assessee Society undertaking support to several communities and organizations in the development sector on beneficiary participation in the programme, research, advocacy, capacity building and training with an emphasis on participatory methods. The assessee receives the grants from Bill and Melinda Gates Foundation, UNICEF, CARE, IPA etc.

3.1 The assessee had been enjoying the benefit of exemption u/s 11(1) as a charitable institution but the same was denied by the AO during the A.Y 2009-10 by invoking the proviso of section 2(15) mainly on the ground that the assessee is involved in trade, commerce or business as the assessee used to receive fees and receipts or consultancy etc. for the research, advocacy, capacity building and training works. The order of the AO was confirmed by the Ld. CIT (A)-XXI, New Delhi (old) but the same has been reversed by the Hon'ble ITAT, Delhi with a direction to allow the exemption u/s 11 (1) and also allow the approval of section 80G(5) vide para 19 & 20 of the order dated 09/01/2015 in ITA No. 5583/Dell/2011 and 5891/Del/2012. The order of the Hon'ble ITAT, Delhi was confirmed by the Hon'ble Delhi High Court ITA 672/2015 in its order dated 23/09/2015 in para 4 & 5 in assessee's own case for the Assessment Year 2009-10 has observed as under: In view of the above factual findings, which have not been shown to be perverse, the court

is not persuaded to hold that any substantial question of law arises from the impugned order of the TAT, Delhi.

3.2 Further, the addition was made during the A.Y 2010-11 & 2011-12 by invoking the proviso of section 2(15) mainly on the ground that the assessee is involved in trade, commerce or business as the assessee used to receive fees and receipts or consultancy etc. for the research, advocacy, capacity building and training works. The order of the AO was reversed by the CIT(A)-40, New Delhi vide para 4.4 of the order dated 23/02/2015 in Appeal No. 556/2013-14 and 345/2014-15 with a direction to allow the exemption u/s 11(1).

3.3 The AO had again denied the exemption u/s 11(1) to the assessee during the A.Y. 2012-13 following the earlier order of A.Y 2009-10, 2010-11 and 2011-12 on the similar grounds vide the orders of the AO.

3.4 The assessee is in appeal against the assessment order of the AO for the A.Y 2012-13 and it is submitted that the assessee is a charitable institution and the AO is not justified to deny the exemption u/s 11(1) and the assessee also relied on the order of the Hon'ble ITAT, Delhi dated 09/01/2015 and Hon'ble Delhi High Court dated 23/09/2015 as referred above.

4. Having heard the arguments and going through the records, we find that there is no proper justification for denying the exemption u/s 11(1) for the A.Y 2012-13 after the order of the Hon'ble Delhi High Court and Hon'ble ITAT, Delhi which has allowed exemption u/s 11(1) and accordingly the revenue directed to allow the exemption u/s 11(1) for the A.Y 2012-13.

The order of the Id. CIT (A) is hereby upheld. The CO which is in support of the order of the Id. CIT (A) is treated as allowed.

5. In the result, the appeal of the Revenue is dismissed and CO of the assessee is allowed.

(Order Pronounced in the Open Court on 02/09/2019).

Sd/-

(Amit Shukla)
Judicial Member

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

Dated: 02/09/2019

Subodh

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR