

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

माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य एवं
माननीय श्री संजय शर्मा, न्यायिक सदस्य के समक्ष।
BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM AND
HON'BLE SHRI SONJOY SARMA, JUDICIAL MEMBER

आयकर अपील सं./ ITA No.601/Chny/2022
(निर्धारण वर्ष / **Assessment Year: 2013-14**)

DCIT (Exemptions), Chennai Circle, Chennai.	बनाम/ Vs.	M/s. Tamilnadu Tennis Association SDAT, Tennis Association, Lake Area, Nungambakkam, Chennai – 600 034.
स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. AAAAT-0164-H		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Assessee by	:	Shri N. Arjunraj (C.A) for Shri S. Sridhar, (Advocate)-Ld. ARs
प्रत्यर्थी की ओरसे/ Revenue by	:	Ms. M.S. Deeeptha (JCIT) –Ld. DR
सुनवाई की तारीख/ Date of Hearing	:	25-08-2022
घोषणा की तारीख / Date of Pronouncement	:	07-09-2022

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue for Assessment Year (AY) 2013-14 arises out of the order of learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 19-05-2022 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.143(3) of the Act on 02-03-2016. The sole grievance of the revenue is grant of exemption u/s 11 to the assessee by Ld. CIT(A) disregarding the proviso to Sec.2(15) as invoked by Ld. AO.

2. The Ld. Sr. DR justified invocation of proviso to Sec.2(15) by Ld. AO and relied on the assessment order. The Ld. AR, on the other hand, submitted that the issue stood covered in assessee's favor by orders of Tribunal in earlier years. The Ld. AR submitted that it has been held by the Tribunal that the assessee's activities constitute 'education' and therefore, the proviso to 2(15) would not apply to the case of the assessee. Having heard rival submissions, the appeal is disposed-off as under.

3. The assessee is a registered trust u/s 12AA and it claimed exemption u/s 11 & 12 as applicable to a registered trust. The Ld. AO, considering the nature of income of the assessee, held that the main receipt of the assessee as well as main expenditure was in respect of conducting 'Aircel Chennai Open Tournament'. The assessee was in receipt of various streams of income including sponsorship receipts. The profit was not incidental but substantial in nature. The activities of the assessee clearly come within the purview of 'Business'. Finally, invoking the proviso to Sec.2(15), the surplus arising from this activity was brought to tax. Apart from this, the expenditure incurred outside India for training of players was also disallowed u/s 11(1)(a). After making various other adjustments including disallowance of depreciation, the income was computed as Rs.182.53 Lacs.

4. The Ld. CIT(A) relied upon Tribunal's order in assessee's own case for AYs 2009-10 & 2010-11, ITA Nos.1757 & 1758/Mds/2013 common order dated 28.11.2014. In this order, it was held that sports promotion would be human resource development and considering the polity declaration of government of India, sports is construed at par with education. Accordingly, the objects of the assessee would fall

within the scope of education as defined u/s 2(15). Accordingly, proviso to Sec.2(15) would not be applicable. The disallowance of depreciation was also adjudicated in assessee's favor in the same order. Considering the same, Ld. CIT(A) allowed the grounds raised by the assessee. Aggrieved, the revenue is in further appeal before us.

5. Before us, the position that similar issue has been addressed by the Tribunal in earlier years, remain undisturbed before us. This decision has subsequently been followed by the co-ordinate bench in ITA Nos.2558 & 2559/Mds/2016 for AYs 2011-12 & 2012-13 also vide common order dated 18.01.2018. Therefore, we do not find any infirmity in the impugned order.

6. The appeal stands dismissed.

Order pronounced on 07th September, 2022.

Sd/-
(SONJOY SARMA)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 07-09-2022
EDN/-

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded 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