

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

श्री महावीर सिंह, उपाध्यक्ष एवं श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.: **262 & 263/CHNY/2022**

निर्धारण वर्ष /Assessment Years: 2013-14 & 2014-15

All India Chess Federation,
Hall No.70, Jawaharlal Nehru
Stadium, Sydenhams Road,
Periamet, Chennai – 600 003.

The Income Tax Officer
(Exemptions),
Ward - 1,
Chennai.

PAN: AAAAA 2155P

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri G. Baskar & I. Dinesh,
Advocates

प्रत्यर्थी की ओर से/Respondent by

: Shri P. Sajit Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 06.09.2022

घोषणा की तारीख/Date of Pronouncement

: 16.09.2022

आदेश /O R D E R

PER MAHAVIR SINGH, VICE PRESIDENT:

These appeals by the assessee are arising out of the common order of Commissioner of Income Tax (Appeals)-17, Chennai in ITA Nos.200 & 201/2016-17 dated 27.06.2018. The assessment was framed by the Income Tax Officer (Exemptions), Ward-1 / Ward-2, Chennai for the assessment years 2013-14 & 2014-15 u/s.143(3) of

the Income Tax Act, 1961 (hereinafter the 'Act') vide orders dated 30.03.2016 & 22.12.2016 respectively.

2. At the outset, it is noticed that these appeals are time barred by 1339 days. The order of CIT(A) was communicated to the assessee on 26.07.2018 and appeal before us was filed only on 26.04.2022. It means that there is a delay in filing of appeal by assessee by 1339 days in both the years. The Id.counsel for the assessee before us filed condonation petition supported by affidavit stating the reasons. He explained that the CIT(A) by way of common order dated 27.06.2018 disposed off appeals for both the assessment years 2013-14 & 2014-15 and the CIT(A) has proceed on the basis that the only issue in respect of these appeals is with regard to additions made towards other liabilities mentioned in the orders of assessment. The Id.counsel before us explained that although the CIT(A) has referred to the orders of the Tribunal in earlier assessment years, wherein exemption u/s.11 of the Act was granted but he did not adjudicate on the claim of exemption u/s.11 of the Act for these two assessment years. Accordingly, the assessee filed rectification petitions for these two assessment years u/s.154 of the Act on 22.02.2020 because the non-adjudication on the ground relating to the claim of exemption u/s.11 of the Act

came to the notice of the assessee only on 18.02.2020, when the appeal effect to the order of CIT(A) was given by the AO. The Id.counsel for the assessee in these circumstances prayed that the assessee was availing alternative remedy and assessee also filed miscellaneous application before CIT(A) to direct the AO to modify the order dated 06.03.2020 but till date, the application u/s.154 of the Act was not disposed off. Since the assessee was availing alternative remedy, he filed these appeals belatedly and out of 1339 days, the Covid-19 pandemic started from 25.03.2020, on that date a nationwide lockdown was imposed due to Covid-19 and upto 25.03.2020, the delay is 577 days and that also due to availing of alternative remedy before AO and before CIT(A) by filing rectification application u/s.154 of the Act. Even otherwise, the Id.counsel for the assessee stated that the issue is squarely covered in favour of assessee by Tribunal's decision in assessee's own case for assessment year 2009-10 in ITA No.184/Mds/2013, order dated 09.05.2014, wherein the Tribunal has considered this issue of claim of exemption u/s.11 of the Act vide para 9 & 10 as under:-

9. Thus, it can be concluded that the sports promotion is "human resources development" and considering the policy declaration of Government of India, sports is construed at par with "education". The Government of India does consider promoting and regulation of sports as constitutional obligation and discharges the same through recognized sports federations in India like that of the assessee. The Government also formulates sports management and provides training and technical assistance for development

of sports in India. The National Sports Federations like that of the assessee honoring the national development board is the extended arm of Government providing training, coaching, development of skill among the sportspersons in India. In furtherance to the above discussions one can appreciate that in the present scenario, sports has also emerged as a profession the income derived from which is taxable, and such profession is associated with systematic and continues education in the sport one profess coupled with trained physical and mental fitness and therefore providing knowledge in any sport have to be treated at par with education.

10. Considering the ratio of the aforesaid decisions and discussions, and also the scope of sports development in India, we are of the view that the recognized sports association in India, who impart knowledge in sports, promotion of sports by conducting various sports activities in all branches, to fall within the scope of “education as defined under the amended provisions of Section-2(15) of the Act”. Accordingly we hold that the objects of the assessee society will fall within the scope of the first limb of the amended provisions of section 2(15) of the Act viz., “education”. Further on analyzing the activities of the assessee society with regard to FIDE trainer coach fee – ₹5,70,000/-, AICF chronicle – ₹2,53,300, Prize money share – ₹5,51,500/-, Rent on Monrai system – ₹1,43,750/, Title fees – ₹3,00,500/-, Telecast charges–Doordarshan– ₹12,00,000, and FIDE remittances – ₹15,35,052/- , we find that all of them relate to the activities which are incidental to the main objects of the assessee’s society and therefore, proviso to section 2(15) of the Act will not be attracted. Based on our aforesaid decision the learned Assessing Officer is hereby directed to modify his order accordingly.

Subsequently in assessment years 2010-11 to 2012-13 in ITA Nos.1783 to 1785/Chny/2017, the Tribunal followed its own decision in assessee’s case for earlier assessment year 2009-10. Further, the Hon’ble Madras High Court has dismissed the Revenue’s appeal in T.C.A No.19 of 2015 for assessment year 2009-10 on low tax effect, that means, the Tribunal’s decision has become final.

Therefore the Id.counsel submitted that the issue is covered and in the interest of substantial justice, the delay may be condoned and also be decided in favour of assessee.

3. On the other hand, the Id. Senior DR could not controvert the fact situation but vehemently opposed the condonation of delay but without any fact or substance.

4. We have heard rival contentions and gone through facts and circumstances of the case. We noted that the CIT(A) has not adjudicated the ground relating to the exemption claimed by assessee u/s.11 of the Act being a public charitable society imparting education. For this, assessee has raised identically worded grounds in both the years and the ground raised in assessment year 2013-14 reads as under:-

“2.1 The Ld.CIT(A) erred in not adjudicating the ground relating to the exemption claimed by the Appellant u/s.11 of the Act being a public charitable society imparting education.

2.2 The Ld.CIT(A) has erred in not giving a finding on the said ground as the same has consequently meant that he has upheld the Assessing Officer's (AO) finding denying the exemption to the Appellant u/s.11 of the Act.

2.3 The Ld.CIT(A) having taken note of the order of the Hon'ble Tribunal in the Appellant's own case in ITA No.1783-1785/2017 and as mentioned by the Appellant in ITA No.184/2013, grossly erred in failing to

reverse the finding of the AO regarding denial of exemption u/s.11 of the Act.

2.4 The Ld.CIT(A) ought to have followed judicial discipline by allowing the exemption u.s.11 of the Act.

5. We noted that this issue is squarely covered by the Tribunal's decision consistently for assessment year 2009-10 to 2012-13 as cited above. Hence, taking a consistent view and respectfully following the Tribunal's decision for assessment year 2009-10 in ITA No.184/Mds/2013, we allow these appeals of assessee.

6. In the result, the appeals filed by the assessee are allowed.

Order pronounced in the open court on 16th September, 2022 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य /ACCOUNTANT MEMBER

Sd/-

(महावीर सिंह)

(MAHAVIR SINGH)

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 16th September, 2022

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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