

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 No.: **361/CHNY/2021**

निर्धारण वर्ष/Assessment Year: 2016-17

M/s. Citizen Educational Trust,
36-C, Mari Street,
Palmarket Shevapat,
Salem - 636 002.

The Income Tax Officer,
Vs. Exemptions Ward,
Salem.

PAN : AABTC 6024B

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by
प्रत्यर्थी की ओर से/Respondent by

: Shri S. Sridhar, Advocate
: Shri P. Sajit Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 19.12.2022

घोषणा की तारीख/Date of Pronouncement

: 23.12.2022

आदेश / O R D E R

PER MAHAVIR SINGH, VICE PRESIDENT:

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi in Appeal No.CIT(A), Salem/10016/2019-20 dated 08.09.2021. The return of income filed by assessee on 23.08.2017 for the assessment year 2016-17, which was processed

by the Central Processing Center (CPC), Bangalore by issuing intimation u/s.143(1) of the Income Tax Act, 1961, (hereinafter 'the Act') dated 30.04.2018.

2. The only issue in this appeal is as against the order of CIT(A) confirming the action of AO i.e., DCIT, CPC, Bangalore u/s.143(1)(a) of the Act in denying the claim of exemption u/s.11 of the Act in the absence of the trust not registered u/s.12AA of the Act.

3. Briefly stated facts are that the assessee trust is not registered u/s.12AA of the Act but while filing return of income i.e., belated return filed on 23.08.2017 as against the due date of filing of return u/s 139(1) of the Act was 17.10.2016 for the relevant assessment year 2016-17, claimed exemption u/s.11 of the Act. The assessee declared income from other sources at Rs.44,56,750/- and in the absence of any registration u/s.12AA of the Act, the CPC while processing the return u/s.143(1) of the Act, disallowed the claim of exemption and charged the entire income to tax vide order dated 30.04.2018. The CIT(A) confirmed the action of the AO by observing as under:-

“6.6 In the instant case of the appellant, as admitted by the assessee itself, that during the A.Y. under consideration, the assessee trust was not

registered u/s 12AA. The assessee tried to take advantage of exemptions u/s 11 and 12, by making false claim at the time of filing ITR that during the A.Y. under consideration, the assessee trust was registered u/s 12AA. In the absence of registration u/s 12AA, the AO-CPC has rightly denied the claims of exemption u/s 11 and 12, made by the assessee in the ITR filed by it. In view of the same, all the Grounds of appeal are dismissed.”

Aggrieved, assessee came in appeal before the Tribunal.

4. Before us, the Id.counsel for the assessee Shri S. Sridhar stated that the assessee has no registration u/s.12AA of the Act, but he made alternative claim that the assessee being a trust, engaged in running only educational institutions and is not for the purpose of profit. Therefore according to him, the matter can be restored back to the file of the AO for examining whether the assessee exist for running only educational institutions and not in existence for the purpose of profit.

5. We noted that the CIT(A) has considered this aspect and noted that the alternate claim made by assessee u/s.10(23C)(iiad) of the Act. The assessee never made claim of such exemption in the income-tax return filed or before AO in its rectification application u/s.154 of the Act dated 11.10.2018. In view of the facts, we find

no infirmity in the order of CIT(A) and in the absence of any registration u/s.12AA of the Act, we confirm the order of CIT(A) and dismiss this appeal by assessee.

5. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the open court on 23rd December, 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 23rd December, 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. |