

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 201/Coch/2024
Assessment Year: 2017-18**

Centre for Socio Economic and Appellant
Environmental Studies
IInd Floor, Khadi Federation Building
N.H. Bypass, Padivattom, Kochi 682024
[PAN: AAAAC1878P]

vs.

The Income Tax Officer Respondent
Exemption Ward, Kochi

Appellant by: Shri Mathew Joseph, CA
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 17.01.2025
Date of Pronouncement: 23.01.2025

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 31.01.2024 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is a society registered under the Societies Registration Act with the object of providing services to the Government of Kerala. The return of income for AY 2017-18 was filed disclosing Nil income after claiming exemption u/s. 11 of the Income Tax Act, 1961 (the Act).

Against the said return of income, the assessment was completed by the by the Income Tax Officer, Exemption Ward, Kochi (hereinafter called "the AO") vide order dated 17.12.2019 passed u/s. 143(3) of the Act at a total income of Rs.18,23,020/- denying exemption u/s. 11 of the Act by placing reliance on the proviso to section 2(15) of the Act on the ground that the appellant is charging fees for the services rendered by it.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the appellant is in appeal before the Tribunal in the present appeal.

5. It is submitted that merely because the appellant is charging fees for the services rendered by it, does not by itself attract proviso to section 2(15) of the Act. It is further submitted that in light of the judgement of the Hon'ble Supreme Court in the case of ACIT v. Ahmedabad Urban Development Authority [2022] 449 ITR 1 the matter be remanded.

6. On the other hand, the learned Sr. DR opposed the above submission.

7. I heard the rival contentions of both the parties and perused the material available on record. The issue that arises for my consideration is whether the appellant trust is entitle for exemption

u/s. 11 of the Act. On perusal of the assessment order, it would appear that the AO had denied exemption u/s. 11 of the Act solely on the ground that the appellant trust was charging fees for the services rendered it placing reliance on the proviso to section 2(15) of the Act. The learned CIT(A) merely confirmed the action of the AO in toto without discussing the factual position of law as well as the law governing the issue at hand. I, therefore, set aside the impugned order of the CIT(A) and the assessment order and remand the matter to the file of the AO for fresh determination of the issue in the light of the observation of the Hon'ble Supreme Court in the case of Ahmedabad Urban Development Authority (supra) . I will make it clear that all the contentions raised by the assessee before this Tribunal are left open to be considered by the AO at the time of passing the fresh assessment order.

8. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 23rd January, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 23rd January, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin