

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER  
AND  
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No. 2070/Bang/2024
Assessment Year: 2017-18

M/s. Karnataka Chinmaya Seva Trust, Chinmaya Mission, C.M.H. Road, Indiranagar, Bengaluru – 560 038. <b>PAN: AAATK0797Q</b>	Vs.	The Deputy Commissioner of Income-tax (Exemptions), Circle – 1, Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Dr. N. Suresh, CA
Revenue by	:	Smt. Nandini Das, CIT-DR

Date of hearing	:	23.01.2025
Date of Pronouncement	:	16.04.2025

**ORDER**

**PER WASEEM AHMED, ACCOUNTANT MEMBER:**

This appeal filed by the assessee is against the order passed by the NFAC, Delhi dated 02/09/2024 vide DIN No. ITBA/NFAC/S/250/2024-25/1068243740(1) for the assessment year 2017-18.

**2.** The only interconnected issue raised by the assessee is that the learned CIT(A) erred in disallowing the exemption claimed by the assessee under section 11 of the Act on the ground that the return of income was not filed within the time as provided under section 139(4A) of the Act.

**3.** In the present case, the assessee filed the return of income dated 15 March 2019 in response to the notice issued under section 148 of the Act dated 1 March 2019, whereas the assessee was required to file the return of income under section 139(4A) read with section 139(1) of the Act, dated 7 November 2017. According to the AO, it was a precondition for claiming the exemption under section 11 of the Act to file the return of income within the time permitted under section 139(4A) of the Act, in pursuance to the provisions of subsection (ba) to section 12A(1) of the Act. Accordingly, the AO denied the benefit of exemption claimed by the assessee under section 11 of the Act and assessed the income at ₹16,60,27,621 only, vide order dated 27 December 2019. On appeal, the learned CIT(A) confirmed the order of the AO.

**4.** Being aggrieved by the order of the learned CIT(A), the assessee is in appeal before us.

**5.** The learned AR before us submitted that the requirement for filing the return of income within the due date specified under section 139(1) of the Act was brought into the statute effective from Assessment Year 2018–19. Therefore, the same cannot be applied to the year under consideration, as the year in dispute pertains to the Assessment Year 2017–18.

**6.** On the other hand, the learned DR vehemently supported the order of the authorities below.

**7.** We have heard the rival submissions and perused the records. It is not in dispute that the amendment inserting clause (ba) to section 12A(1) of the Act, which mandates that the return of income must be filed within the due date prescribed under section 139(1) of the Act in order to claim exemption under section 11 of the Act, was introduced by the Finance Act, 2017 with effect from 01.04.2018, and is applicable from Assessment Year 2018–19 onwards. This position is clearly clarified by CBDT Circular No. 2/2018, dated 15.02.2018, which states:

*"The amendment to Section 12A(1) by insertion of clause (ba) shall apply in relation to the assessment year 2018–19 and subsequent years."*

**8.** In the case of United Education Society v. ITO (2019) 107 Taxmann.com 127 (Delhi Trib.), the Delhi Bench of the Tribunal specifically held that the benefit of section 11 cannot be denied to the assessee for Assessment Year 2017–18 for failure to file return within the time prescribed under section 139(1) of the Act, as the condition under section 12A(1)(ba) of the Act was not applicable for that year.

**9.** In view of the above facts, CBDT clarification, and binding judicial precedents, we hold that the exemption under section 11 of the Act cannot be denied to the assessee for AY 2017–18 merely on the ground of belated filing of return or in response to the notice issued under section 148 of the Act. The amendment under section 12A(1)(ba) is not applicable to the year under consideration. Accordingly, the orders of the lower authorities are set aside. The Assessing Officer is directed to grant the benefit of exemption under section 11 of the Act to the assessee as per law. Hence, the ground of appeal of the assessee is allowed.

**10.** In the result, the appeal filed by the assessee is allowed.

Order pronounced in court on 16<sup>th</sup> day of April, 2025

Sd/-  
**(KESHAV DUBEY)**  
Judicial Member

Sd/-  
**(WASEEM AHMED)**  
Accountant Member

Bangalore  
Dated, 16<sup>th</sup> April, 2025  
/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar,  
ITAT, Bangalore