

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

BEFORE SHRI INTURI RAMA RAO, AM

**ITA Nos. 243 & 244/Coch/2025
Assessment Years: 2015-16 & 2016-17**

SNDP Yogam Kozhencherry Union Appellant
Kozhencherry, Pathanamthitta 689641
[PAN: AAQAS3285G]

vs.

The Income Tax Officer, Ward - 2, Thiruvalla Respondent

Appellant by: ----- None -----
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 28.04.2025
Date of Pronouncement: 30.04.2025

ORDER

These appeals filed by the assessee is directed against the orders of the National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 31.12.2024 & 23.12.2024 for Assessment Years (AY) 2015-16 & 2016-17.

2. Since identical issues are involved in these appeals, they are heard together and disposed of by this common order. For the sake of convenience and clarity the facts relevant to the appeal bearing ITA No. 243/Coch/2025 for AY 2015-16 are stated herein.

3. Brief facts of the case are that the appellant is a registered charitable trust. The appellant trust does not enjoy registration u/s. 12AA

of the Income Tax Act, 1961 (the Act). No regular return of income u/s. 139(1) of the Act was filed by the appellant. Subsequently, based on the information that the appellant trust made cash deposit in specified bank notes (SBN) to the extent of Rs. 17,92,645/-, the AO formed an opinion that income escaped assessment to tax. Accordingly a notice u/s. 148 of the Act was issued to the appellant on 07.09.2019. In response to the notice u/s. 148, the appellant filed return of income on 07.11.2019. Against the said return of income, the assessment was completed by the Income Tax Officer, Ward-2, Thiruvalla (hereinafter called "the AO") vide order dated 24.09.2021 passed u/s. 147 r.w.s. 144B of the Act at a total income of Rs.17,92,645/-. While doing so, the AO brought to tax a sum of Rs. 21,26,524/- being the amount of donations received towards building fund by holding that in the absence of certificate of registration u/s. 12AA of the Act exemption u/s. 11 cannot be granted.

4. Being aggrieved, an appeal was filed before the CIT(A), contending that the voluntary contributions cannot be brought to tax as they are capital in nature. However, the CIT(A) rejected the contention of the appellant and dismissed the appeal.

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

6. When the appeal was called on nobody appeared on behalf of the assessee despite due service of notice of hearing. Therefore, I proceeded to dispose of the appeal after hearing the learned Sr. DR.

7. Admittedly, the appellant is a charitable trust registered under the Charitable Trust Act. However, the appellant trust does not enjoy

registration u/s. 12AA of the Act. In the background of these facts the issue that arises for my consideration is whether the voluntary contributions received by the appellant trust towards building fund are liable to tax. Provisions of clause (2a) of sub-section (24) of section 2 defines income to include voluntary contributions received by a trust created wholly or partly for charitable or religious purposes or by an institution established wholly or partly for such purposes. Therefore, in the absence of registration u/s. 12AA of the Act, such income does not qualify for exemption u/s. 11 of the Act and is clearly taxable in view of the plain provisions of section 2(24) of the Act. The fact that the voluntary contributions were made towards building fund do not alter this position. I do not find any merit in the grounds of appeal raised by the assessee.

8. In the result, the appeals filed by the assessee stand dismissed.

Order pronounced in the open court on 30th April, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 30th April, 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