

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH MUMBAI**

BEFORE HON’BLE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER

ITA No. 1886/Mum/2025
(Assessment Year: 2021-22)

Uday Pawar Badminton Academy Mogan Villa, 101, 22, Vallabh Nagar Society, Vileparle (W), Mumbai - 400056.	Vs.	Income Tax Officer, (Exemption) Ward-2(4), Mumbai
PAN/GIR No. AAAAU0306N		
(Applicant)		(Respondent)

Assessee by	Shri Rakesh Joshi
Revenue by	Ms. Madhura M. Nayak, SR. DR.

Date of Hearing	07.05.2025
Date of Pronouncement	27.05.2025

आदेश / ORDER

PER SANDEEP GOSAIN, JM:

The present appeal has been filed by the assessee challenging the impugned order 23.01.2025 passed u/s 250 of the Income Tax Act, 1961 (‘the Act’), by the National Faceless Appeal Centre, Delhi (NFAC) for the assessment year 2021-22.

2. The only effective ground raised by the assessee in the present appeal is challenging the order of Ld. CIT(A) in

confirming the action of AO in treating the income of the assessee at Rs. 6,98,258/- instead of Nil income offered in the ROI.

3. I have heard the counsels for both the parties, perused the material placed on record, judgments cited before me and also the orders passed by the revenue authorities. From the records, I noticed that Assessee trust had filed Return of Income for the year under consideration declaring loss of Rs.3,89,732.70/-. As the Return of Income processed under Section 143(1) of the Act, the CPC denied all the expenses debited to P & L account and taxed the entire receipts of Rs. 6,98,258/- on the sole ground that trust is not registered u/s 12A / 12AA of the Income tax Act and for want of Form 10BB. However, during the year under consideration only income as per return of income was from badminton training center as is evident from ITR as placed in paper book on page No.10-11. The gross receipt from the training center was Rs. 6,88,700/- including interest from bank and IT refund and expenses of the center on coach/other staff salary and shuttle expenses of Rs. 10,87,991/- and accordingly there is net loss from the training center of Rs. 3,89,732/-.

4. During the year no direct expenses were incurred on the object of the trust and therefore, no exemption was claimed by the assessee.

5. As far as non filing of the audit report in form No. 10BB is concern, the income of the assessee before application of exemption u/s 11 of the Act is less than the taxable income. Hence audit report is not required.

6. However, it is relevant to mention that assessee trust i.e. Uday Pawar Badminton Academy filed Form 10A and got new registration in Form 10AC on 24.03.2022 with - Unique Registration Number being AAAAU0306NE20215. Copy of the new registration was submitted to lower authority as acknowledged by them on page 7 of the CIT(A) order. Moreover, Form 10AC also states that reregistration is valid for 5 years i.e. from AY 2022-23 to AY 2026-27, which was validity period for existing trusts.

7. Even otherwise, in the impugn assessment proceedings the only issue involved pertains to the issue that the said trust is not registered u/s 12A/12AA of Income Tax Act, as mentioned in the intimation issued u/s

143(1) of Income Tax Act. In view of the fact that earlier registration u/s 12A of Income Tax Act was valid till 30th September 2022 clearly show that during F.Y.2020-21 it was in force and hence the assessee trust is to be treated as having registration for A.Y.2021-22 instead of not having as treated by CPC, Bangalore)

8. In the light of the factual and legal submissions made before me, it can safely be presumed that the assessee trust was duly registered u/s 12A since last so many years and as the date of reregistration u/s 12AC was extended to 25.11.2022 and as the trust got itself reregistered on 24.03.2022, there was no case to treat the entire amount of receipt credited to the Profit & Loss Account to the tune of Rs.6,98,258/- as the 'income of the trust' and taxed it accordingly. Hence, in my view the CPC, Bangalore ought to have treated the trust registered u/s 12A of Income Tax Act while processing its return of income filed on 22.01.2022, as per facts not only the trust obtained new registration on 24.03.2022 but even the earlier Registration u/s.12A of the Act was valid till 30/09/2022. Therefore, keeping in view the above factual and legal position, I am of the view that there was no case to treat the entire amount of receipt credited to profit and loss

account as income of the trust, therefore, I direct to delete the entire addition of Rs.6,98,258/-.

9. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on 27.05.2025

Sd/-

(SANDEEP GOSAIN)
JUDICIAL MEMBER

Mumbai, Dated 27/05/2025

KRK, PS

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई/ DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई/ ITAT, Mumbai