

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“G” BENCH, MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT &  
MS PADMAVATHY S, AM**

**I.T.A. No. 5422 to 5429/Mum/2025  
(Assessment Year: 2010-11 to 2017-18)**

<b>GIA India</b> GIA India, 10 <sup>th</sup> Floor, Trade Centre, Bandra Kurla complex, Bandra (East), Mumbai 400051  <b>PAN: AACCG1253E</b>	Vs.	<b>The Income Tax Officer (Exemptions) –II(1), Mumbai</b> MTNL Tel. Ex. Building, Cumballa Hill, Pedder Road, Mumbai 400026
<b>Appellant)</b>	:	<b>Respondent)</b>

<b>Assessee by</b>	:	Shri. J.D. Mistry, Sr. Advocate & Shri. Gunjan Kakkad
<b>Revenue by</b>	:	Shri. Swapnil Choudhary Sr. AR
<b>Date of Hearing</b>	:	29.10.2025
<b>Date of Pronouncement</b>	:	11.11.2025

**ORDER**

**Per Bench:**

These appeals by the assessee are against the separate orders of the Commissioner of Income Tax Appeals/National Faceless Appeal Centre (NFAC), Delhi passed u/s. 250 of the Income Tax Act, 1961 (the 'Act') for AYs 2010-11 to 2017-18. The issues contended by the assessee in all these appeals are common and therefore these appeals are heard together and disposed of through this common order. For the purpose of adjudication AY 2010-11 is considered as the lead case.

2. The assessee is a company registered u/s. 25 of the Companies Act, 1956 and is a non-profit entity setup for imparting education in the field of gemmology, applied jewellery arts, jewellery design and manufacturing arts of diamond jewellery, coloured stones or other specialities and gems and jewellery business management through schools/institutes or otherwise. The assessee filed the return of income for AY 2010-11 on 13.10.2010 declaring a loss of Rs. 2,65,30,349/-. The case was selected for scrutiny and the statutory notices were duly served on the assessee. During the course of hearing the AO called on the assessee to furnish details of courses conducted during the FY 2009-10 and the fees received against it. The AO further required the assessee to furnish details regarding the duration of the courses and other information in relation to the courses conducted by the assessee. After perusing the various details furnished by the assessee the AO held that the activities of the assessee are for advancement of general public utility in nature and is hit by the First Proviso to Section 2(15) of the Act, as the assessee has undertaken activities in the nature of business and the services in relation to business industry of gems and jewellery. The AO issue a show cause notice requiring the assessee to explain as to why its case is not hit by Section 11(4) and First Proviso to Section 2(15) of the Act. The assessee submitted before the AO that the activities undertaken are for "imparting education" amongst the students in the field of gemmology, applied jewellery arts, jeweller design etc., and cannot fall within the purview of the term "advancement of any other object of general public utility" where by the proviso to Section 2(15) is not applicable. The AO did not accept the submissions of the assessee and held that the assessee is not conducting any course in formal education nor it is affiliated to any registered authority. The AO further held that the assessee has not conducted any composite or integrated courses of organised and systematic training and the duration of the

course range from 1 day to 6 months which are basically professional and industrial training and skill courses for wholesale and retail manufacturers sales persons etc. The AO also held that the assessee is not authorised to issue any degree or diploma certificate upon completion of the course and even no formal examination is conducted. Accordingly, the AO held that the activities of the assessee cannot be held as "imparting of education" and that the assessee has carried on commercial activities in the name of education. The AO assessed the total income based on the income and expenditure account amounting to Rs. 2,41,61,700/-. Aggrieved the assessee filed further appeal before the Id. CIT(A). The assessee submitted before the Id. CIT(A) that the activities carried on by the assessee are in the field of education and the same is carried out on a systematic and organised manner. The assessee made a detailed submission tabulating the features of normal schooling and how the assessee meets every criteria of normal schooling. The Id. CIT(A) after considering the submissions of the assessee upheld the order of AO by stating that –

*4.6 The activities of appellant is directly in contrast of the first proviso to Section 2(15) of the Act, so, the exemption u/s 11 and 12 of the Act has rightly been denied by the AO. That Section 2 (15) of the Act clearly defines that as far as the first three limbs are concerned, it constitute 'charitable purpose' but as far as the fourth limb i.e. 'advancement of any other object of general public utility' is concerned, the entities are not eligible for exemption under section 11 or under section 10(23C) of the Act if they carry on commercial activities. The activities of the appellant are of advancement of general public utility nature and it had conducted various courses throughout the year in exchange of consideration for imparting the training to them, it is hit by first proviso to section 2(15) of I.T. Act, 1961, as it has undertaken activities in the nature of business and services in relation to business industry of gems and jewellery and persons engaged into the same. Hence its purpose does not constitute charitable purpose and thereby income earned by it cannot be said to be derived for charitable purpose and therefore, expenditure incurred by it is not for charitable purpose. Consequently, I side with the findings of the AO with respect to this issue as the appellant's activity cannot be called charitable. Thus, Ground of appeal*

*raised by the appellant related to this issue is dismissed and the addition made by the AO stands sustained. The grounds raised regarding levy of interest cannot be entertained as levy of interest is mandatory and shall follow the course of order.*

3. There is a delay of 121 days in filing the appeal before the Tribunal. The assessee submitted an affidavit explaining the reasons for the delay and prayed for the condonation of the same. Having heard both the parties and perused the material on record, we are of the view that there is a reasonable and sufficient cause for the delay in filing the appeal before the Tribunal. Therefore following the Hon'ble Supreme Court decision in the case of Collector, Land Acquisition Vs. MST.Katiji & Ors., (167 ITR 471) (SC) we condone the delay of 121 days in filing the appeal and admit the appeal for adjudication.

4. The ld. AR submitted that one of the reasons for holding that the assessee is not imparting education is that the assessee is not conducting any systematic and organised training. In this regard, the ld. AR drew our attention to the main objects of the trust (page 66 of the paper book) which reads as under:

*To establish, promote, encourage, provide, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and to run in India or abroad institutes, schools, colleges, teaching classes, on campus courses, contact courses, distance education courses, correspondence courses, e-learning courses, extension classroom courses or any other courses for students in the fields of gemmology, applied jewellery arts, jewellery design and setting up of arts of jewellery, diamonds, coloured stones, or other specialties and gem and jewellery business management, which can be imparted to the students in such fashion as may be developed from time to time by the Company.*

5. The ld. AR further drew our attention to the list of courses conducted by the assessee (page 78 of paper book) and the various courses/ diplomas run by the assessee (page 80 of paper book). The ld. AR submitted that during the year under

consideration the assessee has conducted training to 1375 students and this fact has been acknowledged by the AO in his assessment order. The Id. AR also submitted the details of instructors/faculty who are conducting the courses, the course material and photographs of the class room where the training is conducted etc. The Id. AR also submitted the details of grading of students based on their performance in the exams conducted during the course and also the sample of certificate issued to the students after successfully clear in the examination. The Id. AR also took the bench through various details as contained in the course material such as the course fee, timing, qualification etc., to drive home the argument that the assessee is providing an organised and systematic training in the field of the gemmology. The Id. AR submitted that the assessee is registered u/s. 12A from 25.02.2004 and has been engaged in the activity of imparting knowledge and education in the field of gemmology and is one of the renowned in the said field. The Id. AR argued that the other reasons as stated by the AO/CIT(A) are that the assessee is not affiliated to any university and the courses being for shorter period cannot be the reason to hold that the assessee is not engaged in imparting education. The Id. AR drew our attention to the following observations of the Hon'ble Supreme Court in the case of *Sole Trustee, Loka Shikshana Trust vs. CIT* [1975] 101 ITR 234 (SC) where the term "education" is explained by the Apex Court

*"The sense in which **the word "education" has been used in section 2(15) in the systematic instruction, schooling or training given to the young is preparation for the work of life.** It also connotes the whole course of scholastic instruction which a person has received. The word "education" has not been used in that wide and extended sense, according to which every acquisition of further knowledge constitutes education. According to this wide and extended sense, travelling is education, because as a result of travelling you acquire fresh knowledge. Likewise, if you read newspapers and magazines, see pictures, visit art galleries, museums and zoos, you thereby add to your knowledge. Again, when you grow up and have dealings*

*with other people, some of whom are not straight, you learn by experience and thus add to your knowledge of the ways of the world. If you are not careful, your wallet is liable to be stolen or you are liable to be cheated by some unscrupulous person. The thief who removes your wallet and the swindler who cheats you teach you a lesson and in the process make you wiser though poorer. If you visit a night club, you get acquainted with and add to your knowledge about some of the not much revealed realities and mysteries of life. All this in a way is education in the great school of life. But that is not the sense in which the word "education" is used in clause (15) of section 2. What education connotes in that clause is the process of training and developing the knowledge, skill, mind and character of students by normal schooling"*

*(Emphasis supplied)*

6. The Id. AR further argued that the assessee meets all the criteria as stated herein above by the Hon'ble Supreme Court and, therefore, treating the income of the assessee as business income by the revenue cannot be sustained. The Id. AR in this regard, further place reliance on the following decisions.

- i. Delhi Music Society vs. DGIT [2012] 17 taxmann.com 49, Delhi.*
- ii. Gujarat State Co-operative Union vs. CIT [1992] 195 ITR 279, Gujarat.*
- iii. DIT(E) vs. Ahmadabad Management Association [2014] 47 taxmann.com 162, Gujarat.*
- iv. DIT(E) vs. Samudra Institute of Maritime Studies Trust [2014] 49 taxmann.com 510, Bombay.*
- v. National Institute of Bank Management vs. ADIT(E) [2018] 92 taxmann.com 25 (Mumbai-Tribunal).*
- vi. Central Institute of Tool Design vs. DIT(E) [2016] 68 taxmann.com 407 (Hydrabad-Tribunal).*

7. With regard to the reliance placed by the revenue in the case of Victoria Technical Institute Vs. ACIT [1991] 188 ITR 57 (SC), the Id. AR submitted that the facts in the said case are completely distinguishable and therefore not applicable to the present case.

8. The ld. DR on the other hand, submitted that imparting of education in a systematic manner cannot be self-defined but, has to be defined by an authority in India. The ld. DR further submitted that the entire curriculum, duration conducting exams etc. are all designed and implemented by the assessee and it does not have any approval or affiliation with any authority. The ld. DR also submitted that the degree/diploma provided by the assessee is not recognized and the value carried for such certificate is only based on the reputation of the assessee. The ld. DR argued that the definition of imparting education for the purpose of Section 2(15) should be read in a restricted manner and the assessee's activities which are designed and conducted by its own standard cannot be held as imparting education. Accordingly, the ld. DR supported the orders of the lower authorities.

9. We heard the parties and perused the material on record. The assessee is a section 25 company and is also registered under section 12A of the Act. The assessee conducts various courses in the field of gemology through formal class rooms through instructors. The assessee issues certificates at the end of the course to the students who successfully clear the various levels of grading. The assessee is claiming exemption u/s.11 on the ground that the assessee is a charitable institution engaged in imparting education within the meaning of section 2(15) of the Act. The revenue's argument is that the assessee is not imparting education but is engaged in the advancement of any other object of general public utility and that since the assessee is carrying on the business of conducting courses, the income is chargeable to tax as per proviso to section 2(15) of the Act. The ground on which the revenue is not accepting the claim of the assessee that it is engaged in imparting education is that

- i. The assessee is not engaged in systematic instruction, school or training
- ii. The assessee is not affiliated or registered by any authority

- iii. The courses are for short duration i.e. one day to 6 months
- iv. The assessee is not authorized to issue any degree or diploma on course completion
- v. The assessee is not conducting formal examination by any prescribed authority

10. Accordingly the revenue held that the nature of activity is more of a vocational and industrial training and not imparting education. Before proceeding to examine whether the assessee is engaged in imparting education, we will look at the essential elements of education in general parlance and views of various judicial forums in that respect. The essential elements of formal education are a structured curriculum, certified teachers, a designated learning environment like a classroom, regular assessment and evaluation, and a systematic, hierarchical structure. It also involves organized approach that includes scheduled learning, a subject-oriented syllabus, and the awarding of credentials like diplomas or degrees upon completion. The observations of the Hon'ble Supreme Court in the case of Sole Trustee, Loka Shikshana Trust (supra) as extracted in the earlier part of this order also supports the above general understanding on the important elements of education. In assessee's case from the perusal of the various documentary evidences (refer 2018 education catalogue) submitted we notice that the assessee is conducting courses in the field of gemology through structured curriculum (refer page 8 to 12 of catalogue) through qualified professionals in the field (refer page 36 of catalogue), in a formal classroom set up (refer photographs), awards diplomas (refer page 82 of paper book) after conducting formal evaluation/tests (refer sample test evaluation sheet). During the course of hearing the Id AR also took us through various details submitted before the lower authorities in this regard. These factual findings when considered along with the ratio laid down by the Hon'ble Supreme Court, convinces us that the primary contention of the revenue

with regard to points (i), (iv) & (v) are addressed and accordingly denying the benefits under section 11 on these grounds cannot be sustained.

11. Now we will examine the other two contentions of the revenue i.e. assessee not being affiliated and that courses are conducted for short duration as a reason for denying the claim of the assessee. In the context of whether an educational institution not recognised by any university or Board or not awarding its own degrees or certificates can be grounds for denying exemption under section 10(23C)(vi) and the Hon'ble Delhi High Court in the case of Delhi Music Society held that –

*7. It is not the case of the petitioner that it is a "university". Its case is that it falls under the expression "other educational institution". There is no definition of the expression "educational institution" in the Act. However, Section 2(15) which defines the expression "charitable purposes" includes education as one of the charitable purposes. There is no definition of the word "education" in the Act. We have to, therefore, necessarily examine the authorities which have explained the content of the word "education" and "educational institution".*

*8. The object clause of the memorandum of association of the petitioner says that the objects of the school are to teach western, classical music, to promote musical knowledge and the appreciation among the students as well as among the interested public by means of workshops, lectures/demonstrations, recitals etc., to acquire and maintain instruments for teaching purposes, to create and update a world class library of music literature both audio and video to add more class rooms and other required facilities for the purpose of musical education and to construct and maintain concert hall/auditorium for the school. Clause (vi) of the memorandum of association declares that the petitioner is not a society for profit and the income and property of the society shall be applied solely towards the promotion of the objectives of the society and no portion thereof shall be paid, directly or indirectly, as dividend or bonus or any other manner to any member of the society or its officer or servant or any other person. It is true that the petitioner is not affiliated to any university in India and is not recognized by any statutory body having anything to do with education. It is also a fact that the petitioner does not have a syllabus of its own and it awards grade certificates to the students*

*depending upon their proficiency as declared by the Trinity College, London and the Associated Board of Royal School of Music, London on the basis of the examinations conducted by them. The question before us is whether the reasons given by the prescribed authority are germane to the question as to whether the petitioner is an educational institution within the meaning of Section 10(23C)(vi).*

*9. The Supreme Court in the case of Sole Trustee, Loka Sikshana Trust (Supra) interpreted the word "education" in Section 2(15) of the Act and held that the word has been used to denote systematic instruction, schooling or training given to the young in preparation for the work of life and it also connotes the whole course of scholastic instruction which a person has received. It has further been observed that the word also connotes the process of training and development of knowledge, skill, mind and character of students by normal schooling.*

*10. We may refer to the judgment of the Calcutta High Court in CIT v. Doon Foundation [1985] [154 ITR 208/22 Taxman 9](#). Interpreting the provisions of Section 10(22) of the Act, the High Court observed as under:-*

*"We are also unable to accept the contention of Mr. Maitra that an educational institution to be eligible for exemption under Section 10(22) should be affiliated to any university or any board. Section 10(22) does not impose such a condition. So long as the income is derived from an educational institution existing solely for educational purposes and not for purposes of profit, such income is entitled to exemption under Section 10(22), whether or not such educational institution is affiliated to any university or college or board. If the contention of the Revenue is accepted, then many of the societies running institutions solely for imparting education would not get the benefit of Section 10(22). Education as envisaged in Section 10(22) may be imparted in a school or college or institution which may or may not be affiliated to, or recognized by, a university or board.*

***This judgment takes care of the objection of the prescribed authority that the petitioner is not affiliated to, or recognized by any university or board in India and that it merely awards certificates or grades which are issued by the Trinity College and Royal School of Music, London.** Since Section 10(23C)(vi) also uses the same language as Section 10(22), the same principle should govern the interpretation of that provision also.*

11.\*\*\*\*\*

*12. 12. It is seen from the above that the petitioner is being run like any school or educational institution in a systemic manner with regular classes, vacations, attendance requirements, enforcement of discipline and so on. These provisions in the rules and regulations satisfy the condition laid down in the judgment of the Hon'ble Supreme Court, Sole Trustee, Loka Sikshana Trust, cited (supra) that there should be a process of training and developing the knowledge, skill, mind and character of the students by "normal schooling". It cannot be doubted that, having regard to the manner in which the petitioner runs the music school, that there is imparting of systematic instruction, schooling or training given to the students so that they attain proficiency in the field of their choice - vocal or instrumental in western classical music.*

*(emphasis supplied)*

12. From the perusal of above observations it is clear that the affiliation to an university cannot be considered as a reason to hold an institute as not imparting education, if the institute is otherwise run like any school or educational institution in a systemic manner with regular classes, vacations, attendance requirements, enforcement of discipline and so on. Accordingly there is merit in the submission of the Id AR that in assessee's case denying the exemption u/s.11 on the ground that the assessee is not affiliated to any university is not correct. The next ground for revenue to hold that the assessee is not imparting education is that the courses are conducted for short period of time. In this regard the Id AR during the course of hearing drew our attention to the observations of the Hon'ble Gujarat High Court in the case of Gujarat State Co-Operative Union (supra) where the union running courses for periods in the range of 10 to 12 weeks were held to be solely for educational purposes. Further it is noticed that in the above decision the Hon'ble High Court has thrown more light on the word "education" by placing reliance on decision of the Hon'ble Supreme Court in the case of Loka Shikshana Trust (supra). The relevant observations in this regard are extracted as under –

*The Supreme Court, in the above observations, by referring to the systematic instruction, schooling or training given to the young has only cited an instance*

*in order to indicate as to what the word "education" appearing in section 2(15) of the Act which defines "charitable purposes" is intended to mean. We are certain that these observations were not intended to keep out of the meaning of the word "education", persons other than "young". The expression "schooling" also means "that schools, instructs or educates" (The Oxford English Dictionary, Vol. IX, page 217). The Supreme Court has observed that the word "education" also connotes the whole course of scholastic instruction which a person has received. This clearly indicates that the observations of the Supreme Court were not intended to give a narrow or pedantic sense to the word "education". By giving further illustrations of a traveller gaining knowledge, victims of swindlers and thieves becoming wiser, the visitors to night clubs adding to their knowledge the hidden mysteries of life, the Supreme Court has indicated that the word "education" is not used in a loose sense so as to include acquisition of even such knowledge. The observations of the Supreme Court only indicate the proper confines of the word "education" in the context of the provisions of section 2(15) of the Act. It will not be proper to construe these observations in a manner in which they are construed by the Tribunal when it infers from these observations, in para 17 of its judgment, that the word "education" is limited to schools, colleges and similar institutions and does not extend to any other media for such acquisition of knowledge. The observations of the Supreme Court do not confine the word "education" only to scholastic instructions but other forms of education also are included in the word "education". As noticed above, the word "schooling" also means instructing or educating. It, therefore, cannot be said that the word "education" has been given an unduly restricted meaning by the Supreme Court in the said decision. Though, in the context of the provision of section 10(22), the concept of education need not be given any wide or extended meaning, it surely would encompass systematic dissemination of knowledge and training in specialised subjects as is done by the assessee. The changing times and the ever widening horizons of knowledge may bring in changes in the methodology of teaching and a shift for the better in the institutional setup. Advancement of knowledge brings within its fold suitable methods of its dissemination and though the primary method of sitting in a classroom may remain ideal for most of the initial education, it may become necessary to have a different outlook for further education. It is not necessary to nail down the concept of education to a particular formula or to flow it only through a defined channel. Its progress lies in the acceptance of new ideas and development of appropriate means to reach them to the recipients.*

13. It is brought to our attention a similar view is held by the Hon'ble High Court in the case of Ahmedabad Management Association (supra). The Hon'ble

High Court has elaborated the concept 'education' to hold that the same should not be given a restrictive meaning and would encompass systematic dissemination of knowledge and training in specialised subjects. In the present case the assessee is providing systematic training in a formal setup in the specialized field of gemology and it is a known fact that the assessee is one of the premium valued institution in the said field. We further notice that the Hon'ble Bombay High Court in the case of Samudra Institute of Maritime Studies Trust has considered the issue of denying exemption u/s.11 on the ground of the institute not being affiliated and held that –

*2. Mr Malhotra has taken us through the finding rendered by the Tribunal and the Commissioner of Income Tax (Appeals). Mr Malhotra submits that Chapter III in which section 10 falls and of which clause 23(c) is a part deals with incomes which are not included in total income. In the present case, that clause cannot be invoked nor the section. In the present case, section 2(15) of the Income Tax Act 1961 and defining charitable purpose would be relevant. In the present case, the purpose cannot be said to be charitable firstly because the Assessee has submitted a chart before the Assessing Officer which would denote that the training courses are not approved by the Director General of Shipping. Secondly, that is not educational activity inasmuch the same is not for coaching and training to those who wish to take the job of seamen and make that as their career. In such circumstances, the pre-sea and post-sea training expenses, which is the main object of the Assessee, will not be an expenditure which would qualify for exemption under section 11 of the Income Tax Act.*

3. & 4. \*\*\*\*\*

*5. We are of the opinion that the Tribunal has applied the correct test in concluding that the exemption under section 11 can be availed of by the Respondent - Assessee. In doing so, the Tribunal referred to the objects as set out in the Trust Deed of the Respondent - Assessee. They are to set up, administer and maintain technical training institution at various places in India for pre-sea and post-sea training for the ships and maritime industry as a Public Charitable Institute for education. That is to provide on-board and offshore training and continuing technical education for Officers, both on the deck and engine side. One of the object was to register with the Director General of Shipping and obtain other necessary approvals at the State and*

*Central levels. We do not find that the ratio of the judgment of the Hon'ble Supreme Court or of this Court, which may be dealing with section 10(22), has been applied to such an extent as complained by Mr Malhotra. In the present case, the Tribunal in paragraph 9.6 of the impugned order concludes that the Assessee is giving training in the above area to seamen. **All the courses may not be approved by the Director General of Shipping but that by itself is no ground to hold that the purpose is not charitable. The exemption under section 11 can be claimed and bearing in mind the object of the Trust.** We are of the opinion that the Tribunal and the CIT (Appeals) have approached the issue correctly and in the light of the definition so also the tests laid down came to a factual conclusion that the Respondent is entitled to exemption under section 11 of the Act. This is not a case where the purpose can be said to run a coaching class or a centre. This is an institution which imparts education in the area of pre-sea and post-sea training to seamen so as to prepare them for all duties. In such circumstances, we do not find that the concurrent findings of fact are vitiated by error of law apparent on the face of the record or perversity enabling us to entertain this Appeal. There is no substantial question of law. The Appeal is therefore dismissed with no order as to costs.*

*(emphasis supplied)*

14. We also notice that in the case National Institute of Bank Management (supra) coordinate bench has considered an identical issue as in assessee's case and has held that –

*8. We have carefully considered the rival submissions. Sec. 2(15) of the Act defines the expression 'charitable purpose'. So far as it is relevant for our purpose, the expression 'charitable purpose' seeks to include 'education'. The case of the assessee is that its activities fall within the scope of the expression 'education' and, therefore, it is covered within the meaning of 'charitable purpose' contained in Sec. 2(15) of the Act. The stand of the Revenue is to the contrary as, according to it, the activities of the assessee are merely to carry out training, seminars, post-graduate training and, that too, against collection of fees and, therefore, cannot be considered as 'education'. Further, the expression 'charitable purpose' also includes the activity of 'advancement of any other object of general public utility'. According to the Revenue, even if the activities are to be considered as falling within the scope of Sec. 2(15) of the Act, it fits into the said expression 'advancement of any other object of general public utility'. The proviso to Sec. 2(15) of the Act was added w.e.f. 01.04.2009, which prescribes that the activity of 'advancement of any other*

*object of general public utility' shall not be construed to be for 'charitable purpose' if it involves carrying on of any activity in the nature of trade, commerce or business or any activity of rendering any service in relation to any trade, commerce or business for a cess or fee or any other consideration irrespective of the nature of use or application or retention of the income from such activity. By relying on such proviso, the Revenue contends that since assessee is carrying out its programme of training, etc. against charging of fee, therefore, its activities lose the character of being for 'charitable purpose'.*

**9.** *The first and the foremost point that is required to be addressed is whether the assessee is an institution involved in education or not? In order to address this controversy, we may briefly touch upon the objects of the assessee as appearing in the Memorandum of Association and also the activities that are being carried out by the assessee over the years. The main objects of the assessee have been reproduced by us in the earlier part of this order and a perusal thereof clearly shows that the main object of the assessee is to promote and provide training in operation and management of banking and financial institutions, besides organising and facilitating seminars, study courses, lectures and similar other activities for the said purpose. Considering the stated objects, we are not inclined to accept the plea of the Revenue that the main objects of the assessee is not 'education'. Besides the stated objects, the written submissions which have been filed by the assessee before the lower authorities also give an insight to the activities being actually pursued by the assessee. It emerges that the assessee is recognised by the University of Pune as an approved centre for post-graduate research and also by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. It is pointed out that assessee is conducting post-graduate Diploma courses and many Ph.D students are also registered with it for their Doctorial dissertation under the supervision of assessee's faculty members. It has also been pointed out that assessee has thirty full-time faculty of academicians from a wide range of disciplines, viz., Economics, Finance, Commerce, Business Management, Computer Science, Agricultural Science, etc. At the time of hearing, the learned representative has also emphasised that assessee has class rooms to conduct regular classes and the library in the educational campus has more than 60,000 books. It was also pointed out that assessee offers programmes in collaboration with Kellogg School of Management, Northwestern University USA, The London School of Economics and Political (LSC), UK and CME Group, Chicago, etc. All these assertions of the assessee have not found any negation by the assessing authority or even by the Revenue before us.*

**10.** *Before us, it was argued by the ld. DR that fee is being charged and subscriptions are received from the member-banks which generates surplus in*

*the course of activities, and thus, the activities are not for education. It is well understood that educational institutions are also required to generate funds for carrying out its activities, and the fact that assessee is collecting fees, by itself, will not make it a non-educational activity so as to go out of the definition of 'education' contained in Sec. 2(15) of the Act. In this context, we may refer to the judgment of the Hon'ble Supreme Court in the case of T.M.A. Pai Foundation v. State of Karnataka [2002] 8 SCC 481, wherein the Hon'ble Supreme Court has also recognised the necessity for the educational institution to generate funds for its betterment and growth. In the case of American Hotel & Lodging Association Education Institute v. CBDT [\[2008\] 301 ITR 86/170 Taxman 306 \(SC\)](#), the Hon'ble Supreme Court was dealing with an entity engaged in providing world-recognised curriculum for all hospitality education programs in India by making them available through text, course material and other software programmes in India. Apart from accepting this activity to be in the realm of education, the Hon'ble Court also observed that merely because some profit was arising from such activity, it would not distract from holding that such an entity was existing solely for education purposes. The Hon'ble Court also explained that in order to ascertain whether an entity is being run with the object of making profit or not, the existence of profit is not paramount, but what is of importance is whether or not the resultant income is being applied wholly and exclusively for the objects for which the entity has been set-up. In the context of the assessee before us, there is no repudiation to the fact-situation that the surplus, if any, is being applied only in furtherance of its stated objects.*

*11. The learned representative before us referred to the judgment of the Hon'ble Supreme Court in the case of Assam Text Book Production & Publication Corpn. v. CIT [\[2009\] 319 ITR 317/185 Taxman 58](#), wherein the activity in the field of publication of text books was also held to be an activity falling within the scope of 'education'. Similarly, the judgment of the Hon'ble Gujarat High Court in the case of Gujarat State Co-operative Union v. CIT [\[1992\] 195 ITR 279](#) has also been relied upon. In the case of Gujarat State Co-operative Union (supra), assessee was engaged in conducting courses for Higher Diploma in Co-operation, Diploma in Land Development Banking, Certificate Course in Co-operative Credit and Banking and Specialised Short-term Courses/Orientation Courses. The assessee therein was also conducting seminars and running training centres for employees of Urban Co-operative Banks, District Co-operative Banks, etc. The Hon'ble Gujarat High Court understood such activities to be falling within the expression 'education'. In coming to such a conclusion, the Hon'ble Court referred to the judgment of the Hon'ble Supreme Court in the case of Sole Trustee, Loka Shikshana Trust v. CIT [\[1975\] 101 ITR 234](#) to contend that the word 'education' should not be confined only to scholastic instructions, but*

*other forms of education are also included in the expression 'education'. Though the decision of the Hon'ble Gujarat High Court is in the context of Sec. 10(22) of the Act, yet, it is of relevance for us since it has explained the meaning of the expression 'education' which, in our view, is germane to decide the controversy before us. The assessee before us is indisputably engaged in conducting higher education training, coaching and research in the field of banking and finance, and the ratio of the judgment of the Hon'ble Gujarat High Court certainly goes to show that its activities are in the field of 'education' for the purposes of Sec. 2(15) of the Act.*

**12.** *Similarly, the decision of the Mumbai Bench of the Tribunal in the case of Indian Institute of Bankers v. Dy. CIT (Exemption) [\[2002\] 74 TTJ 523](#) was also relied upon. The assessee before the Mumbai Bench of the Tribunal, i.e. Indian Institute of Bankers, was engaged in the activity of promoting the study of theory of banking and, for that purpose, it was conducting exams, lectures, etc. Notably, the activities of the assessee before us are also on the same lines and the Tribunal in the case of Indian Institute of Bankers (supra) accepted those activities to be in the nature of 'education'.*

**13.** *In view of our aforesaid discussion, we do not find any merit in the stand of the Assessing Officer that the activities of the assessee are not in the field of 'education'. What has been emphasised by the Assessing Officer is that the assessee is conducting coaching classes in the field of banking and finance and, therefore, following the decision of the Hon'ble Patna High Court in the case of Bihar Institute of Mining & Mine Surveying v. CIT [\[1994\] 208 ITR 608/76 Taxman 455](#), it could not be said that the assessee was carrying out any 'education' activity. In this context, we may refer to the judgment of the Hon'ble Gujarat High Court in the case of DIT(E) v. Ahmedabad Management Association [\[2014\] 47 taxmann.com 162/225 Taxman 223/366 ITR 85](#), wherein the association undertook multifaceted activity, viz. conducting continuing education, Diploma & Certificate programme, Management Development programmes, public talks, seminars, workshops, etc. Such like activities were also held to be in the nature of 'education' eligible for the benefit of Sections 11 & 12 of the Act. In fact, the Hon'ble Delhi High Court in the case of Council for the Indian School Certificate Examinations v. DGIT (E) [\[2014\] 362 ITR 436/206 Taxman 466/20 taxmann.com 505](#) was considering the activities of an assessee who was neither conducting any classes and nor was directly engaged in teaching students, but was only affiliating schools, prescribing syllabus and conducting examinations. The institution carrying out such activities was also understood by the Hon'ble Court to be an educational institution.*

**14.** *When we apply the aforesaid principles to the admitted nature of activities in the present case, we have no hesitation in holding that assessee is an*

*educational institution and, therefore, it falls within the scope of the expression 'charitable purpose' contained in Sec. 2(15) of the Act.*

15. The objects of the assessee as extracted in the earlier part of this order when considered in the light of the above judicial precedence leads us to conclude that the assessee who is providing systematic instructions using a structured curriculum in a formal setting (timing, holiday, fees structure etc.) through professional faculty and providing certificate after proper evaluation is engaged in the activity of imparting "education" within the meaning of section 2(15) of the Act. Accordingly the stand of the revenue that the assessee is not engaged in the charitable purpose of education to deny the benefit under section 11 cannot be sustained.

16. With regard to the reliance placed in the case of Victoria Technical Institute (supra) we notice that the question of law placed before the Hon'ble Supreme Court was that "*Whether, on the facts and in the circumstances of the case, the income from the purchase and sale of handicrafts, without setting up educational institutions or training centres for advancement of studies would constitute charitable purpose and would, as such, qualify for exemption?*". From the perusal of the said question of it is clear that the case is distinguishable from the issue before us in the present case and therefore we see merit in the contention of the assessee that the reliance placed by the revenue in this regard is misplaced.

17. In view of these discussions we hold that the lower authorities are not correct in denying the benefit u/s.11 to the assessee on the ground that the activities are not within the purview of charitable purpose of "education" as per section 2(15) of the Act.

18. During the course of hearing the Id AR presented the following table containing the issues contended through various ground across the AYs 2010-11 to

2017-18 to submit that the issues contended are common for the AYs under consideration.

Sr. No.	Grounds of appeal	Assessment Year(s)							
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Non-grant of exemption u/s 11 of the Income-tax Act, 1961, the Act	✓	✓	✓	✓	✓	✓	✓	✓
2	Re.: Validity of re-assessment proceedings	X	✓	X	X	X	X	X	X
3	Without Prejudice to the foregoing: Re Considering the activities of the Appellant as not falling within the purview of the term 'education as to be understood for the purposes of section 2(15) of the Act	✓	✓	✓	✓	✓	✓	✓	✓
4	Without Prejudice to the foregoing: Re Considering the activities of the Appellant as falling within the purview of the term advancement of any other object of general public utility' as is to be understood for the purposes of section 2(15) of the Act	✓	✓	✓	✓	✓	✓	✓	✓
5	Without prejudice to the foregoing. Re: Not allowing set-off of the deficit of earlier years in the current year	✓	✓	✓	✓	✓	✓	✓	✓
6	Without prejudice to the foregoing. Re: Non-quantification of the deficit of the earlier year to be carried forward for set-off in subsequent years	✓	✓	✓	✓	✓	✓	✓	✓
7	Re. Claim for depreciation	X	X	X	X	✓	X	X	X
8	Without prejudice to the foregoing. Re.. Not allowing depreciation in terms of Section 32 of the Act	✓	✓	✓	✓	X	✓	✓	✓
9	Re: Not allowing deduction of finance cost of Rs. 80,0921-	X	X	✓	X	X	X	X	X
10	Re: Erroneous levy of interest u/s. 234A of the Act	✓	X	✓	✓	✓	✓	✓	✓
11	Re. Excess levy of interest u/s. 2348 of the Act	✓	✓	✓	✓	✓	✓	✓	✓
12	Re: Dismissing the appeal filed by the Appellant ex parte	✓	✓	✓	✓	✓	✓	✓	✓
13	Re: Non-quantification/set-off of the brought forward losses of the	✓	X	X	X	X	X	X	X

	earlier year(s) in subsequent years								
14	Re. Disallowance of capital expenditure amounting to Rs. 75,46,304/-	✓	✓	X	X	X	X	X	X
15	Credit for TDS granted short	X	✓	✓	✓	✓	X	X	X
16	Re.: General								

19. From the perusal of the above table it is clear that the issues contended in **serial no.1,3 & 4** are common for all the AYs. Therefore our decision on the said issues for AY 2010-11 are mutatis mutandis applicable to AYs 2011-12 to 2017-18 also. Accordingly we hold that that the lower authorities are not correct in denying the benefit u/s.11 to the assessee on the ground that the activities are not within the purview of charitable purpose of "education" as per section 2(15) of the Act for AYs 2011-12 to 2017-18 also. The legal contention in **serial no.2** on the validity of assessment has become infructuous.

20. Further in our view the issues raised in **serial no.5 to 9, 13 & 14** have to be remitted back to the AO since these issues have not been considered by the AO since he has denied the benefit of section 11 to the assessee and did not have the occasion to consider these consequential benefits claimed by the assessee. Accordingly we remit the issues in **serial no.5 to 9, 13 & 14** back to the AO for consideration on merits in the light of our decision on the primary issue of assessee's eligibility for exemption under section 11. With regard to levy of interest under section 234A (**serial no.10**) the ld AR submitted that the assessee for all the AYs have filed the return of income within the due date prescribed under section 139 and that the levy of interest is not warranted. Issue in **serial no.15** is with regard to short credit of TDS credit. We in this regard direct the AO to verify the claim of the assessee in **serial no.10 & 15** based on documentary evidences and allow the claim in accordance with law. Issues in **serial no.11** regarding interest

under section 234B being consequential and **serial no.16** being general do not warrant any separate adjudication. Issue in **serial no.12** pertain to CIT(A) dismissing the appeal exparte and the same has become academic.

21. In result the appeal of the assessee for AY 2010-11 to AY 2017-18 are partly allowed.

*Order pronounced in the open court on 11-11-2025.*

*Sd/-*

**(SAKTIJIT DEY)**

**Vice President**

*Divya R. Nandgaonkar*  
*Stenographer*

*Sd/-*

**(PADMAVATHY S)**

**Accountant Member**

**Copy of the Order forwarded to:**

1. The Appellant
2. The Respondent
3. DR, ITAT, Mumbai
4. Guard File
5. CIT

BY ORDER,

(Dy./Asstt. Registrar)

**ITAT, Mumbai**