

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

'A' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं  
श्री ए. मोहन अलंकामणी, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.2041/Mds/2014

निर्धारण वर्ष / Assessment Year : 2010-11

M/s All India Overseas Bank  
Employees Union Welfare  
Charitable and Endowment Trust,  
C/o M/s Subbaraya Aiyar  
Padmanabhan & Ramamani  
Advocates,  
New No.75A (Old No.105A),  
Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004.

v. The Deputy Director of Income Tax  
(Exemptions)-III,  
Chennai - 600 034.

PAN : AABTA 7888 F

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Sh. R. Vijayaraghavan, Advocate

प्रत्यर्थी की ओर से/Respondent by : Sh. P. Radhakrishnan, JCIT

सुनवाई की तारीख/Date of Hearing : 23.02.2016

घोषणा की तारीख/Date of Pronouncement : 01.04.2016

### **आदेश /O R D E R**

**PER N.R.S. GANESAN, JUDICIAL MEMBER:**

This appeal of the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-VII, Chennai, dated 16.05.2014 and pertains to assessment year 2010-11.

2. The only issue arises for consideration is with regard to claim of the assessee for exemption under Section 11 of the Income-tax Act, 1961 (in short "the Act").

3. Sh. R. Vijayaraghavan, the Ld.counsel for the assessee, submitted that the assessee-trust was registered under Section 12AA of the Act. The assessee was running a Kalyanamandapam and claimed exemption in respect of the income generated from the Kalyanamandapam. However, the Assessing Officer disallowed the claim of the assessee and the CIT(Appeals) has also confirmed the disallowance. Referring to the orders of the lower authorities, the Ld. counsel submitted that running of Kalyanamandapam cannot be a reason for not allowing the claim of the assessee. On a query from the Bench, the Ld. counsel clarified that the assessee took the Kalyanamandapam on lease and let out to people at large. With regard to application of income, the Ld. counsel clarified that the profit generated out of the income earned on letting out of Kalyanamandapam was used for charitable activities.

4. On the contrary, Sh. P. Radhakrishnan, the Ld. Departmental Representative, submitted that the income of the assessee-trust

shall be exempted under Section 11 of the Act provided the same is utilized for charitable activities. In the case before us, no expenditure was claimed towards charitable activities. In fact, no expenditure was incurred. The assessee has not produced any material before the authorities below for incurring expenditure for charitable activities. Since the assessee is running Kalyanamandapam, therefore, the assessee is not eligible for exemption under Section 11 of the Act.

5. We have considered the rival submissions on either side and perused the relevant material available on record. Section 11 of the Act provides for exemption in respect of the income of the trust which is applied for charitable purpose. Therefore, the income of the trust is exempted only if the same is applied for charitable nature. In the case before us, the assessee's claim is that the Kalyanamandapam was taken on lease and generated income on letting out of the Kalyanamandapam. There is no material available on record to suggest that the assessee has applied any income for carrying out charitable activities in furtherance of its object. Since no material is available on record to suggest that any part of income of the assessee-trust was utilized for carrying out charitable

activities, this Tribunal is of the considered opinion that the CIT(Appeals) has rightly confirmed the orders of the Assessing Officer, therefore, this Tribunal do not find any reason to interfere with the order of the CIT(Appeals) and accordingly, the same is confirmed.

6. In the result, the appeal of the assessee is dismissed.

Order pronounced on 1<sup>st</sup> April, 2016 at Chennai.

sd/-  
(ए. मोहन अलंकामणी)  
(A. Mohan Alankamony)  
लेखा सदस्य/Accountant Member

sd/-  
(एन.आर.एस. गणेशन)  
(N.R.S. Ganesan)  
न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,  
दिनांक/Dated, the 1<sup>st</sup> April, 2016.

Kri.

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)-VII, Chennai-34
4. DIT (Exemptions), Chennai
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.