

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम
IN THE INCOME TAX APPELLATE TRIBUNAL,
VISAKHAPATNAM BENCH, VISAKHAPATNAM

श्री वी. दुर्गराव, न्यायिक सदस्य एवं

श्री डि.एस. सुन्दर सिंह, लेखा सदस्य के समक्ष

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, ACCOUNTANT MEMBER

आयकर अपील सं./I.T.A.No.126/Vizag/2016

(निर्धारण वर्ष / Assessment Year: N.A.)

Sri Chukkapalli Pitchaiah Foundation
Vijayawada

[PAN No.AAPTS5545M]

(अपीलार्थी / Appellant)

CIT(Exemptions)
Hyderabad

(प्रत्यार्थी / Respondent)

अपीलार्थी की ओर से / Appellant by

: Shri I. Kama Sastry, A.R.

प्रत्यार्थी की ओर से / Respondent by

: Shri R. Govinda Raju, DR

सुनवाई की तारीख / Date of hearing

: 10.10.2017

घोषणा की तारीख / Date of Pronouncement

: 13.10.2017

आदेश / ORDER

PER D.S. SUNDER SINGH, Accountant Member:

This appeal filed by the assessee is directed against order of the Commissioner of Income Tax (Exemptions) {CIT}, Hyderabad for refusal of registration u/s 12AA of the Income Tax Act, 1961 (hereinafter called as 'the Act') and approval u/s 80G of the Act vide F.No.CIT(E)/87(6)/HYD/12A/2015-16 dated 31.12.2015.

2. Assessee filed application in form No.10A for grant of registration u/s 12AA of the Act and for approval u/s 80G of the Act. The CIT has gone through the information filed by the assessee and some of the objectives of the Trust which reads as under:

a) "To honour outstanding personalities and those who have contributed in great measures to Entrepreneurship, Industry, Commerce, Economics, Science & Technology, Indian Culture, Heritage, Fine Arts, Literature, Sports Social Service, Indian Polity, Moral conduct, Philosophy or any other field which has an impact on the society in general.

b) To award a citation and cash prize to deserving individuals or institutions who have made a positive contribution to the society at large.

c) To organize and assist the organization of events or lectures in consonance with the objects for which this trust is founded, in consonance with the objects for which this trust is founded, in memory of Late Chukkapalli Pitchaiah garu.

d) To inculcate interest, promote study & appreciation in the fields of Entrepreneurship, Industry, commerce, Economics, Science & Technology...."

3. CIT(Exemptions) after going through the clauses of objectives viewed that the objective clauses does not indicate that they are charitable in nature as required u/s 2(15) of the Act and further the assessee failed to furnish the PAN No. in form No.10A. Hence, the CIT (Exemptions) held that the Trust is not fit for grant of registration u/s 12AA of the Act, accordingly, rejected the application of the assessee trust. Aggrieved by the order of the CIT(Exemptions), the assessee filed appeal before this Tribunal.

4. Appearing for the assessee, the Ld. Authorised Representative (A.R.) submitted that the assessee had filed the PAN No. in Form No.10A and it is not correct to reject the registration citing non furnishing of PAN along with form 10A. Though, the copy of form No.10A was not placed before us, since the assessee has furnished PAN No. in challan and assessee is having allotted PAN No., we allow this ground of the assessee.

5. The Ld. A.R. explained that the Chukkapalli Foundation is engaged in the activities of organization seminars and giving awards to the eminent personalities to honour them, and giving cash awards to the eminent persons who made positive contribution to the society and organizing events or lectures on various subjects. In support the Ld. A.R. filed two programmes organized by the foundation on 8.8.2016 and 7.8.2015 giving award to Prof. K.N. Phanikar and Prof. C.N. Rao evidencing the activities carried out by the assessee trust. The Ld. A.R. argued that by giving awards, felicitating the eminent people and organizing the public debates on various subjects the foundation is helping the country for public good and falls under any other public utility and requested for grant of the registration. On the other hand, the Ld. DR supported the orders of the Ld.CIT.

6. We have heard both the parties and gone through the objectives of the assessee, we understand that none of the objectives are charitable in nature. Though the Ld. A.R. argued that the objectives come under any other public utility, but the Ld. A.R. failed to demonstrate that the objectives are in fact charitable in nature and covered within the meaning of charitable purpose as per section 2(15) of the Act. For ready reference, we extract section 2(15) of the Act, which reads as under:

- 15) ⁶⁸"charitable purpose"⁶⁹includes relief of the poor, education⁶⁹, ^{69a}[yoga,] medical relief, ⁷⁰[preservation of environment⁶⁹ (including watersheds, forests and wildlife) and preservation of monuments or places or objects of artistic or historic interest,] and the advancement of any other ⁶⁹object of general public utility:

Provided that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business⁶⁹, or any activity of rendering any service in relation to any trade, commerce or business⁶⁹, 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:]

Further, the Charities Act, 2005 says that the charitable purpose must fall under one or more categories i.e. relief of poverty, advancement of education or the advancement of religion. The Ld. A.R. explained that the Chukkapalli Foundation is engaged in the activities of organization seminars and giving awards to the eminent personalities to honour them, and giving cash awards to the persons who made positive contribution to the society and organizing events or lectures on various subjects. In support the Ld. A.R. also filed two

programmes organized by the foundation on 8.8.2016 and 7.8.2015 giving award to Prof. K.N. Phanikar and Prof. C.N. Rao. But giving awards and felicitating eminent people and organizing the public debates on various subjects cannot be held to be charitable activity for the purpose of Income Tax Act. The sole activity of organizing meetings and giving awards to eminent people do not fit into the definition of charitable purpose as per the Income Tax Act. The Ld. A.R. also failed to establish and demonstrate that the objects and the activity of the foundation is covered by the definition of section 2(15) of the Act and the A.R. did not place any judicial decision supporting the assessee's activity as charitable purpose, therefore, we do not find any reason to interfere with the order of the CIT(Exemptions) and the same is upheld.

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

The above order was pronounced in the open court on 13th Oct'17.

Sd/-

(वी. दुर्गराव)

(V. DURGA RAO)

न्यायिक सदस्य/JUDICIAL MEMBER

विशाखापटणम /Visakhapatnam:

दिनांक /Dated : 13.10.2017

VG/SPS

Sd/-

(डि.एस. सुन्दर सिंह)

(D.S. SUNDER SINGH)

आदेश की प्रतिलिपि अग्रेषित/Copy of the order forwarded to:-

1. अपीलार्थी / The Appellant – Sri Chukkapalli Pitchaiah Foundation, D.No.26-13-51, Popular Building, Gandhinagar, Vijayawada-520 003.
2. प्रत्यर्थी / The Respondent – The CIT(Exemptions), Hyderabad
3. आयकर आयुक्त / The CIT, Visakhapatnam
4. आयकर आयुक्त (अपील) / The CIT (A), Visakhapatnam
5. विभागीय प्रतिनिधि, आय कर अपीलीय अधिकरण, विशाखापटणम / DR, ITAT, Visakhapatnam
6. गार्ड फ़ाईल / Guard file

आदेशानुसार / BY ORDER

// True Copy //

Sr. Private Secretary
ITAT, VISAKHAPATNAM

