Hon'ble ITAT uphold the revenue's denial of exemption U/S 11 to Assessee

Jain Shwetamber Murtipujak Sangh [TS-273-ITAT-2023(RAI)]

New Delhi, May 27th, 2023

The Assessee in the present case is a registered religious-cum-charitable trust. The Assessee Trust filed ITR claiming exemption U/s 11. The claim for exemption was rejected by the CPC for the reason that the same was to be allowed only if Form 10B along with the return of income were furnished electronically within the "due date" specified u/s.139(1) of the Act.
The issue arose in the case was whether the exemption U/S 11 should be granted to the Assessee?
The provision of Paragraph 4(i) of Circular No. 10 of 2019 dt. May 22, 2019 was considered which makes the filing of Form 10B along with the audit report mandatory to file exemption U/S 11.

Hon'ble ITAT of Raipur in the present case held:

The Hon'ble ITAT of Raipur held that the denial of exemption by the revenue U/S 11 was correct as the Assessee has made a delay in filing the audit report in Form 10B. The tribunal also stated that the Assessee failed to file application to condone the delay as per the provision of Section 119(2)(b).

The Hon'ble ITAT also directs the revenue to restore the case of the Assessee's claim to consider the deduction of expenses. Also stated that the AO should grant a reasonable opportunity to the Assessee in the course of set aside proceedings.

Appeal of the assessee in ITA No.15/RPR/2022 for A.Y.2016-17 is partly allowed for statistical purposes in terms of my aforesaid observations.