



\* IN THE HIGH COURT OF DELHI AT NEW DELHI  
+ ITA 644/2005

DIRECTOR OF INCOME TAX (EXEMPT) ..... Appellant  
Through : Mr. R.D. Jolly, Adv.

versus

DAULAT RAM EDUCATION SOCIETY ..... Respondent  
Through : Mr. O.S. Bajpai, Adv.

**CORAM:**  
**HON'BLE MR. JUSTICE T.S. THAKUR**  
**HON'BLE MR. JUSTICE BADAR DURREZ AHMED**

**ORDER**

**24.08.2005**

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**CM.NO. 11169/2005**

Heard. For the reasons stated in the application which is supported by an affidavit, the delay in the filing of this appeal is condoned and the application disposed of.

**ITA 644/2005**

The only question which the Revenue proposes to raise for the determination of this court is whether the ITAT was correct in law in granting exemption u/s 11 of the Income Tax Act despite the fact that the assessee had not mentioned any specific purpose for accumulation of its income in Form No.10 submitted by it.

Mr Jolly, learned counsel for the Revenue argued that the purposes specified in Form 10 were general and did not therefore constitute a sufficient



compliance with the provisions of Section 11(2) of the Act. He urged that in order to be eligible for the grant of the benefit under Section 11, the assessee was required to specify in clear terms the purpose for which the income was being accumulated by it. This requirement, according to him, was not satisfied by the assessee in the present case as the purposes mentioned were of a general nature.

The Tribunal has placed reliance upon the judgment of a Division Bench of this court in Commissioner of Income Tax v Hotel and Restaurant Association 261 ITR 190. In that case also the assessee had accumulated the unspent amount for being spent on more than one purposes specified by it. The question for consideration was whether it was necessary for the assessee to make a specific mention of any purpose or purposes to enable it to accumulate the income. The court held that Section 11(2) of the Act did not prohibit plurality of purposes. The court also held that the purposes which the assessee had specified formed part of its objects and were charitable in nature. The position is no different in the instant case. Here too, out of 29 purposes/objects stipulated in the memorandum of association, the assessee has specified eight purposes in Form 10 for which it was accumulating the unspent income while claiming benefit under section 11. It is not the case of the Revenue that any of these 8 purposes are not charitable or that the same do not figure in the memorandum of association. In the circumstances, just because more than one

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purposes have been specified and just because details about the plans which the assessee has for spending on such purposes are not given may not be sufficient to deny the exemption admissible to it under section 11. So long as one or more of the purposes specified by the assessee find place in the objects for which the society has been incorporated and so long as the said purposes are charitable in character, the benefit admissible under Section 11 must flow to the assessee.

In the light of what is stated above, no substantial question of law arises for consideration. The appeal fails and is hereby dismissed.

  
T.S. THAKUR, J

  
BADAR DURREZ AHMED, J

AUGUST 24, 2005  
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