



* HIGH COURT OF DELHI : NEW DELHI

+ ITA No.1335 of 2007

% Decided on: January 22, 2008

Director of Income Tax (Exemption)
Laxmi Nagar, New Delhi. ...Appellant

Through Mrs. P.L. Bansal, Adv.

Versus

M/s. National Dairy Development Board
Employees Benevolent Fund Welfare Association
National Dairy Development Board
Safdarjung Enclave, New Delhi. ...Respondent

Through None

Coram:

HON'BLE MR. JUSTICE MADAN B. LOKUR
HON'BLE MR. JUSTICE V.B. GUPTA

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| 1. Whether the Reporters of local papers may be allowed to see the judgment? | Yes |
| 2. To be referred to Reporter or not? | Yes |
| 3. Whether the judgment should be reported in the Digest? | Yes |

MADAN B. LOKUR, J. (ORAL)

The Revenue is aggrieved by an order dated 28th February, 2007 passed by the Income Tax Appellate Tribunal, Delhi Bench 'D' in ITA No.5455 /Del/2004 relevant for the Assessment Year 2004-2005.



the Income Tax Act, 1961 (for short the Act). The Income Tax Appellate Tribunal went through the Memorandum of Association of the Assessee as well as its aims and objects and thereafter, on the facts of the case, came to the conclusion that the Director of Income Tax (Exemption) was not justified in denying registration to the Assessee.

3. The Tribunal has discussed that the association was formed to provide financial assistance for maintenance or for welfare or for education or for any other similar purpose to its members who are employees of the National Dairy Development Board, their wives, husbands, children, widows, widowers, relatives and other dependants for support. The Assessee was formed for the purposes of arranging various kinds of welfare programmes to promote literacy, cultural and other social activities by awareness programmes, lectures, exhibitions, press conferences and seminars. These activities were not restricted only to the members of the association. On this basis, the Tribunal concluded that the Assessee could be classified as an association for a charitable purpose as defined in Section 2(15) of the Act which includes objects of general public utility. Consequently, the Tribunal allowed the appeal of the Assessee.

4. Learned counsel for the Revenue has relied upon *Commissioner of Income Tax v. BEL Employees Death Relief Fund and Service Benefit Fund Associations*, [1997] 225 ITR 270 to contend that the rules of the society restricted the benefits of the association to the



beneficiaries. We find that the facts of that case are completely different from the facts of the present case in as much as there is no such restriction in so far as the memorandum of association and the aims and objects of the present association are concerned. The benefits of the association are not restricted to its members only.

5. The Tribunal has also considered the decision of the Supreme Court in *Commissioner of Income Tax v. Andhra Chamber of Commerce*, [1965] 55 ITR 722 wherein the Supreme Court held that "objects of general utility" which occurs in Section 2 (15) of the Act is not restricted to objects beneficial to the whole of mankind and that an object beneficial to a section of the public is an object of general public utility.

6. Following the principle laid down by the Supreme Court as well as taking into account the facts of the present case, we find that the Director of Income Tax (Exemption) had incorrectly denied registration to the Assessee.

7. No substantial question of law arises for consideration.

8. Dismissed.


MADAN B. LOKUR, J


V.B. GUPTA, J

JANUARY 22, 2008
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