

**आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, "ए " चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, "A", CHANDIGARH**

श्री एन. के. सैनी, उपाध्यक्ष एवं श्री संजय गर्ग, न्यायिक सदस्य
**BEFORE SHRI N.K. SAINI, VICE PRESIDENT &
SHRI SANJAY GARG, JUDICIAL MEMBER**

आयकर अपील सं./ ITA No. 230/CHD/2020

निर्धारण वर्ष / Assessment Year : 2014-15

The ACIT (Exemptions), Circle-2, Chandigarh	बनाम	M/s Haryana Livestock Development Board, Plot No. 9-12, Pashudhan Bhawan, Sector-2, Panchkula
स्थायी लेखा सं./PAN NO: AAAAH1452Q		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

Hearing though video Conferencing

राजस्व की ओर से/ Revenue by : Smt. C. Chandrakanta, CIT
निर्धारिती की ओर से/Assessee by : Shri A.K. Sood, C.A.

सुनवाई की तारीख/Date of Hearing : 20.04.2021
उदघोषणा की तारीख/Date of Pronouncement : 16.06.2021

आदेश/Order

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order dated 11.12.2019 of the Commissioner of Income Tax (Appeals), Panchkula [hereinafter referred to as 'CIT(A)']

2. The Revenue in this appeal has taken following grounds of appeal:-

- i. *That on the facts and circumstances of the case, the Ld, CIT(A) has erred in law in not appreciating the fact that the assessee has given a very general purpose for accumulation i.e. "To achieve the objects of the Board" which is in clear defiance of statutory provisions that purposes of accumulation have to be specific.*

- ii. *That on the facts and circumstances of the case, the Ld. CIT(A) has erred in law in not taking cognizance of the assessee's objects in Memorandum of Association in true sense as the assessee has itself mentioned in point 1.5.1 as "objects" which the CIT (A) has held to be as a singular object.*
- iii. *That on the facts and circumstances of the case, the Ld. CIT(A) has erred in law in not taking into consideration points 1.5.2 to 1.5.20 of assessee's Memorandum of Association, which are extension of objects of the assessee.*
- iv. *That on the facts and circumstances of the case, the Ld. CIT(A) has erred in law in not taking in consideration the judicial pronouncement of Hon'ble High Court, reported in 199 ITR 819, which goes to the root of the matter, and wherein it is mentioned that it is not sufficient to merely indicate objects of the trust to be eligible for accumulation under section 11(2).*
- v. *That the appellant craves to leave, add or amend the grounds of appeal on or before the appeal heard and disposed off.*

3. Brief facts of the case are that the assessee society has been granted registration u/s 12AA of the Income tax Act, 1961 by the Commissioner of Income Tax, Panchkula vide order No. 5405 dated 27/1/2003. The Society received Government grants and was undertaking development projects of the Government through various Government agencies. The main objective of the society was to improve the breeding and management of livestock production throughout the territory of Haryana. During the year under consideration, the assessee had shown annual income of Rs. 34,17,64,841/-. The main source of income of the assessee was only grants received from Government. As

per section 11, the assessee was required to apply 85% of its income for the objects of the society. The 85% of Rs. 34,17,64,841/- is Rs. 29,05,00,116/-. During the year under consideration the assessee spent only Rs. 25,95,33,703/- on the objects of the society and, thus, there was a shortfall of Rs. 3,09,66,413/- in utilization of 85% of income received. The assessee filed Form 10 to carry forward the shortfall as accumulation. The Assessing Officer rejected Form 10 as the assessee has not been able to specify the objects for which the accumulation has been made and as such the benefit of section 11(2) was not allowed. Therefore, Assessing Officer made addition of Rs.3,09,66,412/-.

4. In appeal, the Ld. CIT(A) after considering the submissions of the assessee observed that the assessee in Form No.10 had specifically mentioned that the purpose for accumulation of income was to achieve the objects of the Board. He further observed that the objects for which the accumulation was proposed to be were very clear and specific as there was only a singular object of the appellant Board being to improve the breeding and production of livestock in the state of Haryana. He, therefore, observed that the assessee had a singular object specific and not general for the purpose of which the income was accumulated. He accordingly, set aside the order of the Assessing Officer and deleted the addition made by the Assessing Officer.

5. After hearing the Ld. counsel for the assessee for the purpose, we do not find any infirmity in the order of the CIT(A). There is no merit in the appeal of the Revenue and the same is accordingly dismissed.

Order pronounced on 16.06.2021.

Sd/-
(N.K. SAINI)
उपाध्यक्ष /Vice President

Sd/-
(SANJAY GARG)
न्यायिक सदस्य/ Judicial Member

Dated : 16.6.2021

“आर. के.”

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. आयकरआयुक्त (अपील)/ The CIT(A)
5. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायकपंजीकार/ Assistant Registrar