

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH “C”, MUMBAI**

**BEFORE SHRI KULDIP SINGH, JUDICIAL MEMBER
AND
SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA Nos.1714 & 1715/M/2023
Assessment Years: 2017-18 & 2018-19**

Dy. Commissioner of Income Tax (Exemption)- 1(1), Room No.607, 6 th Floor, MTNL Building, Cumballa Hill, Mumbai - 400026	Vs.	M/s. Insurance Institute of India, Block – G, Plot No. C-46, Insurance Institute of India, BKC, Bandra East, Mumbai – 400 051 PAN: AAATI1174R
(Appellant)		(Respondent)

Present for:

Assessee by : Mr. Ketan Vajani, C.A.
Revenue by : Ms. Madhu Malti Ghosh, D.R.

Date of Hearing : 04 . 09 . 2023

Date of Pronouncement : 08 . 09 . 2023

O R D E R

Per : Kuldip Singh, Judicial Member:

Since common question of law and facts have been raised in both the inter-connected appeals, the same are being disposed of by way of composite order to avoid repetition of discussion.

2. The appellant, Dy. Commissioner of Income Tax (Exemption)-1(1), Mumbai (hereinafter referred to as ‘the Revenue’) by filing the present appeals, sought to set aside the impugned orders both dated 21.03.2023 passed by the National

Faceless Appeal Centre(NFAC) [Commissioner of Income Tax (Appeals), Delhi] (hereinafter referred to as CIT(A)] qua the assessment years 2017-18 & 2018-19 on identically worded grounds inter-alia that:-

“Whether on the facts and in the circumstances of the case and in law the lat CITIA) was right in allowing accumulation of income as provided section 11(2) of the Income Tax Act, even though the purpose of accumulation shown by the assessee in Form No. 10 is vague and does not have any individuality and the same is not as per the provision of section (2) of the Act”

2. Briefly stated facts necessary for consideration and adjudication of the issues at hand are : the assessee institute is a charitable organization registered with CIT(Exemption), Mumbai under section 12 of the Income Tax Act, 1961 (for short ‘the Act’), thus claimed exemption under section 11 of the Act. Assessee institute has claimed accumulation to the tune of Rs.61,10,00,000/- and Rs.73,13,00,000/- for A.Y. 2017-18 & 2018-19 respectively under section 11(2) of the Act. In the form No.10 the assessee mentioned the purpose as “towards objects of the institute”. Finding the purpose for accumulation as open ended and not specific the Assessing Officer (AO) proceeded to reject the claim of the assessee for accumulation made for Rs.61,10,00,000/- and Rs.73,13,00,000/- for A.Y. 2017-18 & 2018-19 respectively under section 11(2) of the Act on ground of non compliance of the requirement under section 11(2) of the Act.

3. The assessee carried the matter before the Ld. CIT(A) by way of filing appeal who has partly allowed the appeal. Feeling aggrieved with the impugned order passed by the Ld. CIT(A) the Revenue has come up before the Tribunal by way of filing present appeals.

4. The sole issue arises for determination in this case is:

“As to whether the Ld. CIT(A) has erred in allowing accumulation of income as provided under section 11(2) of the Act despite the fact that the purpose of accumulation shown by the assessee in form No.10 is vague and not as per the provisions contained under section 11(2) of the Act?”

5. The objects of the assessee charitable institute registered under section 12A of the Act are as under:

“1) To run Colleges and conduct examinations, oral and written, in insurance theory and practice and related subjects for awarding certificates, diplomas and degrees to those interested in insurance.

ii) To give oral and postal tuitions, prepare and supply reading materials and similar other educative methods for encouraging and assisting the study of any subject bearing on any branch of insurance.

iii) To form and maintain a Library.

iv) To offer scholarships, grants and prizes for research or any other educational work bearing on insurance.

v) To arrange discussions, discourses, lectures and seminars on insurance and related objects for helping those interested in insurance and related fields to improve their knowledge, expertise and skill.

vi) To ascertain the law and practice relating to all matters connected with insurance and to disseminate such knowledge among those interested in insurance.”

6. Undisputedly administrative committee of trustees of the assessee trust in its meeting dated 23.05.2017 has approved the accumulation of surplus for the utilisation of funds following purposes as under:

"1) To establish college of insurance in every state and union territory in India.

2) To invest in the development of education in the areas of Risk Management, Health Insurance, Pension Management and establishment of a portal for online delivery of insurance education.

3) To invest in Research in the areas of Risk Management, Health Insurance, Pension Management, Life and General Insurance.

4) Maintenance & Heavy repairs of Society Properties.

5) Development of study course material.

6) And matters incidental thereto."

7. No doubt in form 10 assessee trust has given a very vague and ambiguous purpose viz. "towards objects of the institutes in form A". However, we are of the considered view that when revenue has not raised any objection that the objects of the trust are not charitable in nature and so long as purposes mentioned in form 10 are for achieving the object of the trust non furnishing of the details as to the specific amount to be spent in future exemption sought for by the assessee under section 11(2) of the Act could not be denied. Honourable Gujarat High Court in case of CIT vs Bochsanwasi Shri Akshar Purshottam Public Charitable Trust 409 ITR 591 (Guj.) while deciding the identical issue held that "inaccuracy or insufficient declaration for the purpose of availing benefit under section 11(2) of the Act, would itself not be the only criteria to reject the claim of the assessee". This decision rendered by Honourable Gujarat High Court has been upheld by the Honourable Supreme Court of India in case cited as 263 taxman 247 (SC).

8. So when the administrative committee in its meeting has given every minute detail for the requirement to create infrastructure for the purpose of assessee trust whose primary object is to impart education related to insurance sector the Ld. CIT(A) has rightly allowed the claim made by the assessee trust. Co-ordinate bench of Tribunal in assessee's own case for A.Y. 2016-17 decided the identical issue in favour of the assessee trust.

9. In view of what has been discussed above, finding no illegality or infirmity in the impugned findings returned by Ld. CIT(A) the same is upheld and both the appeals filed by the Revenue are hereby dismissed.

Order pronounced in the open court on 08.09.2023.

Sd/-

**(S RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

Sd/-

**(KULDIP SINGH)
JUDICIAL MEMBER**

Mumbai, Dated: 08.09.2023.

* Kishore, Sr. P.S.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.