IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED: 28.11.2018

CORAM:
THE HON'BLE MR. JUSTICE T.S.SIVAGNANAM
and
THE HON'BLE MR. JUSTICE N.SATHISH KUMAR

T.C.A.No.178 of 2011

The Director of Income Tax
(Exemption) Chennai - 34. .. Appellant/Respondent

Vs

M/s. The Ida Scudder School
Association, virudhampet,
Vellore - 632 006. .. Respondent/Appellant

Tax Case Appeal is filed under Section 260-A of the Income Tax Act, 1961 (for brevity 'the Act') against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench, dated 03.11.2010 in ITA No.1417/Mds/2010 preferred against the order dated 25/06/2010 made in DIT(E) No.2 (847)/09-10 passed by the Director of Income Tax(Exemptions), Chennai.

For Appellant : Mr.S.Rajesh

For Respondent : Mr.Gourav Natarajan
for M/s.S.Rama Subramanian &
Associates.

JUDGMENT
(Judgment of the Court was delivered by
T.S.SIVAGNANAM, J.)

This Tax Case Appeal is filed by the Revenue under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench, dated 03.11.2010 in ITA No.1417/Mds/2010.

2.Heard Mr.S.Rajesh, learned counsel for the appellant and Mr.Gourav Natarajan for Mr.S.Rama Subramanian & Associates, learned counsel for the respondents.

3.This appeal has been admitted on 26.04.2011 on the following Substantial Question of Law:

> "Whether on the facts and circumstances of the case, the Tribunal can direct the appellant to grant registration under Section 12AA and approval under Section 80G and to go beyond the legislation to grant registration?"

4.This appeal arises out of an order passed by the Tribunal setting aside the rejection of the application fled by the respondent for registration under Section 12AA of the Act. The appellant examined the application filed by the respondent dated 04.12.2009 and noted the object of the assessment and held that the object Clause speaks about profiting a particular religion and a trust doing religious activities are not eligible for registration under Section 12AA of the Act along with benefits of exemption under Section 80G of the Act.

5.Accordingly, the application filed for registration under Section 12AA was lodged and consequently, an application filed for exemption under Section 80G was rejected. The respondent/assessee carried the matter to the Tribunal and the Tribunal once again examined objectives of the trust and has given following reasons as to why the trust cannot be treated as religious body.

6.We extract the relevant portion of the order passed by the Tribunal.

> "We find that the DIT(Exemptions) had gone off-tangent and did not understand that the spirit of Christ, by itself had nothing religious in it. Christ never advocated any particular religion. The spirit of Christ is clear from the parables narrated by Jesus Christ. One of the parables talks about "help, given by a passer-by to a person lying on the street who was injured critically." Religion of the person who was lying injured nor the person helping him was not mentioned. Another parable of Jesus Christ talks about the need to love thy neighbour as one would love himself. There is no qualification for the neighbour mentioned, much less anything about his religion. Thus the spirit of Christ lies in helping others irrespective of cast, creed and religion."

7.The Tribunal after analyzing the objectives of the trust, found it to be for the purpose of helping others irrespective of caste, creed and religion and the object was to provide education and the object was found to be philanthropic. The Revenue has not been able to dislodge the finding given by the Tribunal with any admissible material. Therefore, we are of the considered view that the order passed by the Tribunal is just and proper and does not call for any interference.

8.Accordingly, the appeal filed by the Revenue is dismissed and the Substantial Question of Law is answered against the Revenue. In the result, the appeal is dismissed. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

mrm/kmm

To

1. The Income Tax Appellate Tribunal, 'C' Bench, Chennai

2. The Director of Income Tax,
   (Exemption), Chennai -34.

+1cc to M/s.S.Ramasubramanian and Associates, Advocate, S.R.No.81582
+1cc to Mr.Karthik Ranganathan, Advocate, S.R.No.81867

T.C.(A).No.178 of 2011

SAI(CO)

rrs 25/01/2019