IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.1.2019

CORAM :`

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

TAX CASE APPEAL NO.925 OF 2015

The Commissioner of Income
Tax, Chennai ...Appellant /Respondent

-Vs-

The Young Men's Indian Association
Chennai-1 ...Respondent /Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.12.2014 in ITA No.73/Mds/2013 on the file of the Income Tax Appellate Tribunal Madras 'C' Bench for the assessment year 2009-10 against the order dated 30.10.2012 in ITA No.555/2011-2012 on the file of Income Tax(Appeals)-XII Chennai - 34 for the Assessment year 2009-10 against the order dated 06.01.2012 in PAN: AAATY0014C on the file of the Joint Commissioner of Income Tax (OSD), (Exemptions) II Chennai - 34 for the Assessment year 2009 -10 against the order dated 28.12.11 in PAN/GI.No.AAATY0014C on the file of the Joint Commissioner of Income Tax, (OSD) (Exemptions) - II, Chennai - 34 for the Assessment Year 2009-10.

For Appellant : Mr.J.Narayanasamy, SC

For Respondent : Mr.S.Sridhar

(Judgment was delivered by T.S.SIVAGNANAM,J)

Heard the learned Standing Counsel for the appellant.

2. This appeal by the Revenue challenges the order passed by the Income Tax Appellate Tribunal, which decided the issue in favour of the assessee. The appeal was admitted on 26.10.2015 on the following substantial questions of law :

"i. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is entitled to the benefits under Section 11 without appreciating the definition of charitable purpose under Section 2(15) and its proviso with respect to object of public utility ? And

ii. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is entitled for benefits under Section 11 by holding that the assessee is running the trust with charitable objects without appreciating the nature of receipts and expenditure which are in the nature of commercial objects of public utility?"

3. The Revenue seeks to withdraw the appeal on account of low tax effect in terms of Circular No.3 of 2018 dated 11.7.2018 issued by the Central Board of Direct Taxes.

4. In the light of the above, the appeal is dismissed as withdrawn and the substantial questions of law framed are left open. In the event the tax effect is above the threshold limit fixed in the said circular under exceptional clauses mentioned in the circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

RS

Sd/-
Assistant Registrar(CS VIII)

//True Copy//

Sub Assistant Registrar

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

2. The Commissioner of Income Tax,
   Chennai.

3. The Commissioner of Income Tax,(Appeals-XII)
   Chennai - 34.

4. The Joint Commissioner of Income Tax,
(OSD),Exemptions - II,
Chennai - 34.

+1cc to Mr.J.Narayanaswamy, Advocate, S.R.No.148

+1cc to Mr.S.Sridhar, Advocate, S.R.No.363

+1cc to M/s.R.Hemalatha, S.R.No.285

vba(CO)
kak(28/02/2019)