IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.04.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.263 of 2014

Director of Income Tax Exemptions II,
Chennai. ... Appellant

Vs.

M/s.Sri Vekkaliamman
Educational and Charitable
Trust, No.108, East Madha
Church Street, Royapuram,
Chennai – 600 103. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “B” Bench, dated 27.09.2013 in I.TA.No.1402/Mds/2013, Assessment Year 2009-10, against the order of the Commissioner of Income Tax (Appeals)-XII, Chennai dated 12/03/2013 in ITA No.258/2011-2012, G.I.No./P.A No.AAFTS7863Q for the Assessment Year 2009-2010 against the order of the Joint Director of Income-Tax (Exemptions), Chennai dated 23/11/2011 in PAN /GIR NO.AAFTS7863Q for the Assessment Year 2009-2010.

For Appellant : Mr.J.Narayanaswamy
Senior Standing Counsel

For Respondent : Ms.Sangeetha

JUDGMENT

(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.J.Narayanaswamy, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sangeetha, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 27.09.2013 made in I.TA.No.1402/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, “B” Bench (for brevity, the Tribunal) for the Assessment Year 2009-10.

3.The appeal was admitted on 22.07.2014 on the following substantial questions of law:

> "1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that the assessee is eligible for exemption under Section 11 of the Act?
>
> 2.Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that there is no violation within the meaning of Section 13(1)(c) read with Section 13(2) and Section 13(3) of the Income Tax Act when the building contract work was awarded to the Managing Trustee, thereby allowing him to earn profit from the said contract?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the Low Tax Effect in terms of Circular No.17/2019 dated 08.08.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case is above the threshold limit fixed in the said 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.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Chennai, "B" Bench

2.The Director of Income Tax Exemptions II,
Chennai.

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

4.The Joint Director of Income Tax,
(Exemptions), Chennai.

T.C.A.No.263 of 2014

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