IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.10.2024

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case Appeal No.304 of 2022

Commissioner of Income Tax
Chennai .... Appellant

Vs.

M/s.Mahendra Educational Trust
Kalipatti Post, Attayampatti Via
Tiruchengode, Namakkal 637 501
PAN : AAAAM2491C .... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'A' Bench Chennai, dated 11.02.2021 in ITA.No.126/Chny/2019.

For Appellant : Mrs.V.Pushpa
Senior Standing Counsel
For Respondent : Mr.N.V.Balaji

J U D G M E N T
(Delivered by R.SURESH KUMAR, J.)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Chennai by raising the following substantial questions of law:

1. *Whether on the facts and circumstances of the case, the Tribunal was right in holding that there is no reason to deny exemption under Section 11 of the Income Tax Act, 1961 to the assessee Trust, when there is violation under Section 13(1)(c) read with Section 13(3) as well as Section 13(3)(h) of the Income Tax Act, 1961?*
2. *Whether on the facts and circumstances of the case, the order of the Tribunal is not perverse on facts and right in law in holding that the transfer of trust funds to unregistered trust and business concern in which assessee trustees are the directors/trustees and also to founder trustee is not barred as per the Section 13(1)(c)(ii) read with 13(3)(a)(e) as well as 13(3)(h) warranting denial of exemption under Section 11 in entirety?*
3. *Whether on the facts and circumstances of the case, the order of the Tribunal is not perverse on facts, and right in law in holding above said specified interested persons were not benefitted directly or indirectly by such transfer of trusts funds to them?*

2. It is brought to our notice by the learned Standing Counsel for the appellant Revenue that in the instant case, as per the CBDT's Circular No.9 of 2024 dated 17.09.2024 the tax effect is said to be less than the monetary limit

imposed and therefore, the appeal can be disposed of, keeping the substantial questions of law raised in this appeal open for adjudication at a later point of time.

3. Recording the aforesaid submission made by the learned Standing Counsel for the appellant Revenue, this Tax Case Appeal is dismissed for low tax effect, keeping open the substantial questions of law for adjudication at appropriate stage. No costs.

(R.S.K.,J.) **(C.S.N.,J.)**
23.10.2024

NCS : Yes/No
KST

To

The Income Tax Appellate Tribunal
'A' Bench, Chennai.

R.SURESH KUMAR, J.

AND
C.SARAVANAN, J.

KST

T.C.A.No.304 of 2022

23.10.2024