IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28.08.2025

CORAM

THE HON'BLE MR.MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE
AND
THE HON'BLE MR.JUSTICE SUNDER MOHAN

TCA No.674 of 2016

St.Peters Institute of Higher Education Research,
No.621, 1st Floor, Sire Mansion,
Anna Salai, Thousand Lights,
Chennai 600 006 : Appellant

versus

The Deputy Director of Income Tax (Exemptions) I,
Nungambakkam, Chennai : Respondent

Prayer: Appeal filed against the order of the Income Tax Appellate Tribunal, Madras "A" Bench, Chennai, in ITA No.2264/Mds/2013 dated 06.01.2016.

For Appellant : Mr.A.S.Sriraman

For Respondent : Ms.V.Pushpa,
Senior Standing counsel

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

At the time of admission of this appeal, the following substantial questions of law were framed for consideration of this Court:

"1.Whether the Appellate Tribunal is correct in law in sustaining the action of the respondent in bringing to tax the cash found at the time of survey for making assessment despite the explanation offered for the source while recording perverse factual findings?

2.Whether the Appellate Tribunal is correct in law in sustaining the disallowance of depreciation in the tax exemption computation under Section 11 of the Act on the wrong presumption of double deduction in overlooking binding decisions rendered in relation thereto?

3.Whether the Appellate Tribunal is correct in law in reversing the decision of the First Appellate Authority on the correctness of the issue relating to the disallowance of depreciation in the tax exemption computation by overlooking the prospective amendment brought-in in Section 11(6) of the Act with effect from 1.4.2015 thereby confirming the eligibility of making such claim of depreciation in the earlier assessment years including the assessment year under consideration?"

2. At the outset, learned counsel for the appellant would submit that out of the three questions of law framed for being answered by this Court, he does not wish to press question of law No.1. At this stage, learned counsel for the Revenue would fairly submit that as far as question of law Nos.2 and 3 are concerned, the issue arising therein has already been decided by the Hon'ble Supreme Court in the case of

Commissioner of Income Tax-III, Pune vs. Rajasthan & Gujarati Charitable Foundation Poona, [2018] 89 taxmann.com 127 (SC); wherein the Supreme Court has held against the Revenue and in favour of the assessee .

3. Having heard the learned counsel for the parties and on going through the judgment in *Rajasthan & Gujarati Charitable Foundation Poona (supra)*, this Court is inclined to answer question of law Nos.2 and 3 in favour of the assessee and against the Revenue. Accordingly, questions of law Nos.2 and 3 are answered in favour of the assessee and against the Revenue.

4. The appeal stands partly allowed. There will be no order as to costs.

(MANINDRA MOHAN SHRIVASTAVA, CJ.) (SUNDER MOHAN, J.)
28.08.2025

Index : Yes/No
Neutral Citation : Yes/No
tar

THE HON'BLE CHIEF JUSTICE
AND

SUNDER MOHAN, J.

(tar)

To

1.The Deputy Director of Income Tax (Exemptions) I,
Nungambakkam, Chennai

2.The Income Tax Appellate Tribunal,
Madras “A” Bench, Chennai

TCA No.674 of 2016

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