

SUPREME COURT OF INDIA

Nachimuthu Industrial Association

Vs.

Commissioner of Income Tax, Madras

(S Sen and S S Quadri JJ.)

17.12.1997

ORDER

1. The following two questions were raised before the Tribunal see [1980] 123 ITR 611, 612 :

(1) Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the amount of Rs. 2,50,000 could not be said to have been applied for charitable or religious purposes in India within the meaning of Section 11(1) of the Income-tax Act, 1961, in the accounting period relevant to the assessment year 1965-66 ?.

(2) If the answer to question No. (1) is in the negative, whether the assessee was entitled to any further exemption from tax of any portion of its income for the assessment year 1965-66 ?.

2. The amount of Rs. 2,50,000 was set apart as provision in the accounts of the assessee. The finding of fact is that the amount was not actually applied for charitable or religious purposes. In that view of the matter, the question was answered against the assessee.

3. We see no reason to interfere with this order of the High Court. The appeal is dismissed. There will be no order as to costs.