IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.11.2024

CORAM :

THE HONOURABLE MR.JUSTICE R. SURESH KUMAR
AND
THE HONOURABLE MR.JUSTICE C. SARAVANAN

T.C.A.No.217 of 2024

Principal Commissioner of Income Tax
Corporate Circle – 2(2)
Chennai – 600 034. .. Appellant

Vs.

M/s.IL & FS Tamil Nadu Power Company Ltd.
New No.2, (Old No.21)
4th Floor, KPR Tower
1st Street, Subba Rao Avenue
College Road, Chennai – 600 006.
PAN: AABCF 1176A .. Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal "A" Bench, Chennai, dated 03.08.2022 passed in I.T.A.No.2018/CHNY/2019.

For the Appellant : Mrs.R.Hemalatha
Senior Standing Counsel

For the Respondent : Mr.Joseph Prabakar

JUDGMENT

(Order of the Court was made by R.SURESH KUMAR, J.)

The present tax case appeal was admitted on 04.10.2024 on the following substantial questions of law:-

"i. In the facts and circumstances of the case and

in law, whether the Ld.ITAT had committed an error in applying the decision of the Hon'ble Supreme Court of India in the case of M/s.CIT Vs. Bokaro Steel Ltd., 236 ITR 315 (SC) to the case of the assessee where the facts are completely different?

ii. In the facts and circumstances of the case and in law, whether the Ld.ITAT had committed an error in applying the decision of the Hon'ble Supreme Court of India in the case of M/s.CIT Vs.Karnal Cooperative Sugar Mills, [2000] 243 ITR 2 to the case of the assessee where the facts are completely different?

iii. In the facts and circumstances of the case and in law, whether the Ld.ITAT had committed an error in holding the interest earned by the assessee as capital receipts instead of "income from other sources" as the deposits from which interest was earned was sourced from borrowed funds?

iv. In the facts and circumstances of the case and in law, whether the Ld.ITAT had committed an error in not applying the decision of the Hon'ble Supreme Court of India in the case of Tuticorin Alkali Chemicals & Fertilizers Ltd. Vs. CIT [1997] 227 ITR 172 (SC) which is squarely applicable to the case?

v. In the facts and circumstances of the case and in law, whether the Ld.ITAT had committed an error in applying the decision of the Hon'ble Madras High Court in the case of CIT Vs. Chettinad Logistics (P) Ltd., [2017] 80 taxmann.com 221 and Redington (India) Ltd., Vs. Addl. CIT, [2017] 77 taxmann.com 257 to the case of the assessee ignoring the amendment brought in by Finance Act, 2022 in Section 14A by way of insertion of an explanation?

vi. Whether the amendment made to Section 14A *by Finance Act, 2022 by way of insertion of explanation is applicable retrospectively as it is only clarificatory in nature?"*

2. It is submitted by the learned Senior Standing Counsel appearing for the appellant Revenue that this matter is covered under the Low Tax Effect as per the recent Circular dated 17.09.2024, in Circular No.9/2024.

3. Hence, this appeal stands dismissed, as covered under the low tax effect and the substantial questions of law raised in this appeal are kept open to be decided at the later point of time. There shall be no order as to costs.

(R.S.K., J.) (C.S.N, J)
12.11.2024

Neutral Citation:Yes/No

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R. SURESH KUMAR, J.
AND
C. SARAVANAN, J.

(drm)

T.C.A.No.217 of 2024

12.11.2024