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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.10.2024

CORAM :

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

T.C.A.Nos.214 & 215 of 2020

Principal Commissioner of Income Tax 63, Race Course Road Coimbatore 641 018.	..	Appellant in both T.C.As

Vs.

Chandran Bhavani	..	Respondent in T.C.A.No.214 of 2020
M/s.Rajshree Sugars and Chemicals Ltd. "The Uffizi" No.338, Avanashi Road Peelamedu, Coimbatore 641. PAN: AAB CR 4179D.	..	Respondent in T.C.A.No.215 of 2020

Prayer in T.C.A.No.214 of 2020: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal Madras "C" Bench dated 19.11.2019 passed in I.T.A.No.3382/CHNY/2018; and
Prayer in T.C.A.No.215 of 2020: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal Madras "D" Bench dated 05.12.2019 passed in I.T.A.No.1126/CHNY/2011.

For the Appellant in both T.C.As : Mr.Karthik Ranganathan, Senior Standing Counsel

For the Respondent in T.C.A.No.214 of 2020: Mr.G.Baskar

For the Respondent in T.C.A.No.215 of 2020: Mr.R.Venkatanarayanan for M/s.Subbaraya Iyer Padmanabhan

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COMMON JUDGMENT

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

The present tax case appeals were admitted on 14.08.2020 by this Court on the following substantial questions of law:-

T.C.A.No.214 of 2020:

"1. Whether on the facts and circumstances of the case, the ITAT is correct in applying the amended provision made w.e.f 02.06.2016 under Rule 8D r.w. Section 14A of the IT Act to the assessee's case, which relates to Asst. Year 2012-13 and the original assessment was completed on 30.01.2015?

2. Whether on the facts and circumstances of the case, the ITAT is correct in restricting the disallowance only to the expenditure towards bank charges whereas the amended proviso under Rule 8D r.w Sec 14A of the IT Act made w.e.f. 02.06.2016 clearly states that"the amount referred to in clause (i) and clause (ii) shall not exceed the total expenditure claimed by the assessee" and no restriction on category of expenditure has been imposed?

T.C.A.No.215 of 2020:

1. Whether on the facts and circumstances of the case, the ITAT is correct in law in holding the

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> *income from the sale of carbon credits as capital receipts, when the same is earned in the regular course of business?*
>
> *2. Whether on the facts and circumstances of the case, the Appellate Tribunal is correct in law in holding that the sale of carbon credit is capital receipt, when the Finance Act, 2017, has clarified that the sale of carbon credit is business income chargeable to tax at 10% under Section 115 BBG of the Income Tax Act?"*

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

3. Hence, these appeals stand dismissed, as covered under the low tax effect and the substantial questions of law arising in these appeals 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)
15.10.2024

Neutral Citation:Yes/No

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

(drm)

T.C.A.Nos.214 & 215 of 2020

15.10.2024