The Commissioner of Income Tax, Chennai v. M/s. Apollo Infrastructure Projects Finance Co. Ltd.

T.C.A. No. 580 of 2013

2026:MHC:368 | 2026-01-29

Companion appeal disposal following coordinate-bench rulings on section 14A/10(23G) and consequential section 234D interest; source text contains a printed question/reasoning mismatch.

Income-tax Act, 1961: sections 10(23G), 14A, 234D and 260A

High Court of Judicature at Madras | 2-judge bench (Division Bench) | Dr. Anita Sumanth, J. | Mummineni Sudheer Kumar, J.

Assessment years:

Printed questions and reasoning do not match

Paragraph 2 concerns section 10(23G) capital-gains exemption. Paragraph 3 quotes section 14A reasoning; paragraph 4 adds consequential section 234D interest. The source does not identify this appeal's assessment year. Check the underlying and companion orders before relying on a specific proposition.

01 FACTS OF THE CASE

The Revenue appealed under section 260A against the ITAT Madras 'D' Bench order dated 29.08.2011 in ITA No. 1337/Mds/2010. No appearance was entered for the respondent-assessee despite cause-list publication. Paragraph 2 of the judgment sets out two questions admitted on 04.04.2014 concerning whether the assessee was entitled to exemption under section 10(23G) on long-term capital gains from the sale of shares of PPN Power Generating Co. Ltd. when investments had been made from April 1991 onwards in demat form prior to 01.06.1998.

Source: Caption, Prayer and Paragraphs 1-2; PDF pp. 1-2

02 DISCUSSION BY THE HON'BLE COURT

In paragraph 3, the Division Bench stated that the same question had been decided adverse to the Revenue in T.C.A. No. 417 of 2009 dated 09.12.2025 following T.C.A. No. 567 of 2008 for AY 2003-04, and extracted paragraphs 11-18 of the latter decision. In that extracted decision, the coordinate bench distinguished Maxopp Investment Ltd. v. CIT, [2018] 402 ITR 640 (SC) and held that because the assessee did not earn any exempt dividend income on the equity shares during the relevant year, no disallowance of debenture interest or finance charges could be made under section 14A. In paragraph 4, the Bench applied that decision on what it recorded as admittedly identical facts and legal position, and further held that the question of charging interest under section 234D consequently did not arise.

Source: Paragraphs 3-4; PDF pp. 2-7

03 JUDICIAL DECISION

Both questions of law were answered adverse to the Revenue and in favour of the assessee, and the Tax Case (Appeal) was dismissed with no order as to costs.

Source: Paragraph 4; PDF p. 7

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Apollo Infrastructure Projects Finance Co. Ltd.). The Revenue's appeal was dismissed without costs.

Source: Paragraph 4; PDF p. 7

05 EXPERT COMMENTS

Cite the mismatch, not an assumed reconciliation — The admitted questions concern section 10(23G), while the reproduced analysis concerns section 14A and the disposal adds section 234D. The reader cannot safely reconstruct a complete exemption test from this text. Obtain the ITAT order and the two identified companion appeals before using this decision for a disputed statutory proposition.

Keep quoted years and facts separate — AY 2003–04 belongs to the reproduced TCA 567/2008 discussion; it is not an established year for this appeal. The no-exempt-dividend finding and discussion of debenture interest are part of that quotation. Do not convert those details into independently established facts of TCA 580/2013.

Use the section 14A reasoning within its stated setting — The quoted bench distinguished Maxopp and relied on the absence of exempt dividend income in the relevant year. That is the reasoning reported here, not a review of all later statutory versions. A current claim requires a separate check of its year, applicable text and subsequent treatment.

The clear result is narrower than a general rule — The Revenue appeal was dismissed and both questions answered for the assessee. Section 234D was described as consequential; the order gives no independent analysis of its computation. The respondent's absence did not turn the disposition into a default ruling: the Court expressly relied on the companion decision.

Source: Editorial analysis; sources identified in the structured comments

SOURCE & VERIFICATION

Madras High Court official JUDIS PDF - AKHB Cloud Repository

Complete 8-page original reviewed; scope and source anomalies stated below.

All 8 source pages read and visually inspected; original hash verified. AI-assisted substantive review.

Open cited source rendition

Source bytes and identity checked; see panel-specific source references.

STATUTORY SCOPE

Printed questions concern section 10(23G); quoted reasoning concerns section 14A and operative paragraph 4 also refers to section 234D. Current-law application not verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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