IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.12.2025

CORAM

THE HONOURABLE MR. MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

TCA No.240 of 2025

The Principal Commissioner of Income Tax
Central Circle-1(1)
Chennai.

Appellant(s)

Vs

Coastal Energen Private Limited
No.5, Buhari Building,
Moores Road, Egmore,
Chennai-600 006

Respondent(s)

For Appellant(s):

Mr.R.Karthik Ranganathan

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

Heard.

2. This appeal is admitted on the following substantial questions of law:

> *1. Whether in the facts and circumstances of the case the ITAT erred in not considering the Assessing Officer's observation that the assessee company had not set up the business activity but had claimed expenses in the P&L account before the commencement of its business operations and hence the expenditure incurred prior to the commencement of its production/operations has to be capitalized and cannot be treated as revenue expenditure?*
>
> *2. Whether in the facts and circumstances of the case, the ITAT erred in directing the Assessing Officer to allow interest expenses under Section 57(ii) of the Income Tax Act, 1961 against the interest income when the nature of expenses is a pre-operative expense which is to be capitalized?*

Issue notice to the respondent.

(MANINDRA MOHAN SHRIVASTAVA,CJ) (G.ARUL MURUGAN,J)
05.12.2025

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