

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष  
BEFORE SHRI ABY T VARKEY, JUDICIAL MEMBER AND  
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1431/Chny/2025  
Assessment Years: 2024-25

Venkatachalam Venkatraman,  
No.15, Thanakulam, Sri Sai Niwasam,  
Jayam Nagar, Madurai,  
Tamil Nadu-625 006.  
[PAN: AGXPV9384K]

Income Tax Officer  
Ward-3,  
Virudhunagar.

(अपीलार्थी/Appellant)

अपीलार्थी की ओर से/ Assessee by

प्रत्यर्थी की ओर से /Revenue by

सुनवाई की तारीख/Date of Hearing

घोषणा की तारीख /Date of Pronouncement

(प्रत्यर्थी/Respondent)

: Mr.Venkatachalam Venkatraman,  
Assessee(Virtual),

: Ms.R.Anitha, Addl.CIT.

: 16.07.2025

: 20.08.2025

**आदेश / ORDER**

**PER AMITABH SHUKLA, A.M. :**

This appeal is filed by the assessee against the order bearing DIN & Order No.ITBA / APL / S / 250 / 2024-25 / 1075110355(1) dated 27.03.2025 of the Learned Commissioner of Income Tax [herein after "CIT(A), Addl/JCIT(A), Udaipur, for the assessment year 2024-25. The reference to the word "Act" in this order hereinafter shall mean the Income Tax Act, 1961 as amended from time to time.

2.0 At the outset, the Ld.Counsel for the assessee submitted that the only issue raised through the grounds of appeal is denial of its claim of rebate amounting to Rs.12,500/- u/s 87A of the Act. The Ld. Counsel submitted that the same was claimed as income was below Rs. 5 lakhs. It was submitted that CPC had denied the rebate holding that long time capital gains which is taxable at special rates is not eligible for rebate u/s 87A. The Ld.CIT(A) concurred with the findings of CPC and dismissed the appeal.

3.0 It is the case of the assessee that section 87A of the Act provides that an assessee shall be entitled for rebate of Rs.12,500/- if its total income does not exceed Rs.5 lakhs. It was argued that section-2 (45) defines total income as inclusive of all heads and there is no exclusion of long-term capital gains. The Ld.Counsel accordingly argued that consequently the assessee's total income of Rs. 4,97,220/- that includes long term capital gains income, would be entitled for rebate u/s 87A. Reliance was placed upon the decision of Hon'ble Bombay High Court in the case of Rajiv G Shah (WP No.3193 of 2022).

4.0 Per contra, the Ld.DR relied upon the order of lower authorities.

5.0 We have heard rival submissions in the light of material available on records. We have noted that the Ld.CIT(A) has observed that the appellant had filed its ITR under the new tax regime u/s 115BAC and proceeded to hold that rebate u/s 87A could not be available. It has

been concluded that to claim the rebate total income is to be computed after excluding any special rate income so as to determine the final tax liability. We have noted that the view taken by the Ld.CIT(A) of assessee filing return u/s 115BAC and consequently ineligible for rebate is not in order. The only controversy in this case is whether rebate u/s 87A is available on all the incomes or there is any exclusion. We have noted that the provisions of section 87A do not provide for such an exclusion. The first proviso to section 87A includes an exemption qua total income falling u/s 115BAC (1A) however the impugned amendment has been brought by Finance Act 2024 w.e.f 01.04.2025. The present AY-2024-25 would not be hit by the same. We have noted that Hon'ble Bombay High Court in the case of Rajiv G Shah supra has held that "*...there is no indication in the plain language of Section 87A that any category of income or tax should be excluded from the computation. If the total income is within the threshold prescribed, rebate cannot be denied. ...*". It is trite law that when provisions of the statute granting any benefit to the tax payer are unambiguously clear, no different interpretation thereof can be adopted. Accordingly, we are of the view that the assessee is entitled for claim of rebate u/s 87A. The orders of lower authorities are therefore set aside and the Ld.AO is directed to allow the assessee its claim of rebate u/s 87A. All the grounds of appeal raised by the assessee are therefore allowed.

6.0 In the result, the appeal of the assessee is allowed.

Order pronounced on 20th , Aug-2025 at Chennai.

**Sd/-**

(एबी टी. वर्की)

(ABY T VARKEY)

**न्यायिक सदस्य / Judicial Member**

**चेन्नई/Chennai, दिनांक/Dated: 20<sup>th</sup> , Aug-2025.**

*KB/-*

**Sd/-**

(अमिताभ शुक्ला)

(AMITABH SHUKLA)

**लेखा सदस्य /Accountant Member**

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT - Chennai/Coimbatore/Madurai/Salem.
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF