IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.1313 OF 2016

Pr.Commissioner of Income-Tax … Appellant

V/s.

Plus Paper Foodpack Ltd. … Respondent

Mr.Suresh Kumar for the Appellant.

CORAM : AKIL KURESHI AND
B.P.COLABAWALLA, JJ.
DATE : JANUARY 31, 2019.

P.C.:-

1. Revenue has filed this appeal against the judgment of the Income Tax Appellate Tribunal, raising following question for our consideration:-

> "Whether on the facts and in circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the expenses of Rs.1,59,97,466/- incurred by the assessee for expanding the manufacturing capacity at Baddi (HP) and shifting Vashi plant to Badlapur is revenue in nature as against the capital expenditure?"

2. The respondent-assessee is a limited company. During the period relevant to the assessment year 2007-08, the assessee had

incurred expenditure in expansion unit at Baddi (HP) and for shifting machinery and expanding unit at Badlapur. The revenue urges the expenditure was capital in nature against the claim of the assessee that the expenditure was revenue expenditure.

3. CIT (Appeals) and Tribunal both concurrently held that there was no setting of new unit or starting a new line of business. In one case, it was purely a case of expansion of existing unit and other case, it was a case of shifting of plant and machinery already existing.

4. Under the circumstances, we do not find any error in view of the Tribunal confirming CIT (Appeals)'s order holding that the expenditure was revenue in nature.

5. In the result, Income Tax appeal is dismissed.

(B.P.COLABAWALLA,J.) **(AKIL KURESHI,J.)**

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