IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.417 of 2014

Commissioner of Income Tax,
Chennai. .. Appellant/Appellant

-vs-

M/s.P L Shipping & Logistics Ltd.,
56/57 3rd Floor, Rajaji Salai,
Chennai-600 001. .. Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 18.11.2013, made in I.T.A.No.1164/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai against the commissioner of Income Tax (Appeals)V, Chennai 34 in I.T.A.No.421/2011-2012 order dated 27.02.2013 against the assessment order of the Assistant Commissioner of Income Tax Company Circle V(2) Chennai dated 30.12.2011 in PAN AACCP2294G for the Assessment year 2006-2007.

For Appellant : Mr.T.Ravikumar,
Senior Standing Counsel

For Respondent : Ms.J.Sree Vidhya

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 18.11.2013, made in I.T.A.No.1164/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2006-07.

2.The above appeal was admitted on 27.08.2014, on the following substantial questions of law:-

> "(i) Whether under the facts and circumstances of the case, the Income tax Appellate Tribunal was right in holding that the expenditure incurred by the assessee in the discontinued NVOCC business is allowable as revenue expenditure?

(ii) Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the assessee had discontinued only one division (NVOCC) of its business and the business of freight forwarding itself did not cease to exist?

(iii) Whether based on material available before it, the Income Tax Appellate Tribunal could not have come to the conclusion that NVOCC and freight forwarding are same business and that the assessee had discontinued only one division (NVOCC) of its business and the business of freight forwarding itself did not cease to exist?"

3.Heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant and Ms.Sree Vidhya, learned counsel for the respondent.

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

s/d-

Assistant Registrar(CS-III)

True Copy

Sub-Assistant Registrar

abr

To

1.The Income Tax Appellate Tribunal 'B' Bench, Chennai.

2.The Commissioner of Income Tax (Appeals)V
Chennai 34.

3.The Assistant Commissioner of Income Tax
Company Circle V(2)
Chennai

+1 CC to Mr.T.Ravikumar, Advocate sr 72373.
+1 CC to Ms.J.Sreevidya, Advocate sr 72621.

T.C.A.No.417 of 2014

RJI(CO)
SP(24/10/2019)