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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.07.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.765 of 2016

Commissioner of Income Tax,
No.121, Nungambakkam High Road,
Chennai - 600 034. ... Appellant/Appellant

Vs.

M/s.Four M Maritime P Ltd.,
No.4, Buhari Towers,
Moores Road, Chennai - 600 006. ... Respondent/Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 24.10.2014 in I.TA.No.1971/Mds/2014, Assessment Year 2010-11.

Against the order of the Commissioner of Income-Tax (Appeals)III, Chennai in ITA.160/2011-12/A-111 dated 22/01/2013 against the order of the income Tax officer, company ward-11(1) Chennai in GIR.No./PAN AAACF6163E dated 15/02/2013 assessment year 2010-2011.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Ms.Sri Niranjani Srinivasan
for M/s.G.Baskar

JUDGMENT

(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sri Niranjani Srinivasan for M/s.G.Baskar, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 24.10.2014 made in I.TA.No.1971/Mds/2014 on the

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file of the Income Tax Appellate Tribunal, Chennai, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2010-11.

3.The appeal was admitted on the following substantial question of law:

> "Whether on facts and circumstances of the case, the Hon'ble ITAT is right in holding that the ship operated by the assessee namely "M.V.Gem of Ennore" transporting thermal coal from one port to another within India was a qualifying ship u/s.115 VD of the Income Tax Act and the assessee was entitled for the benefit of Tonnage Tax Scheme (TTS) provided under Chapter XII G of the Act, which is contrary to the plain meaning of clause (1) of Section 115 VD of the Income Tax Act?"

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 as withdrawn on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in this case 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.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

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To
1.The Income Tax Appellate Tribunal, Chennai, "B" Bench
2.The Commissioner of Income Tax (Appeals)III, Chennai.
3.The Income Tax officer, company ward-II(1), Chennai.

+1CC to Mr.G.Baskar SR.36732

T.C.A.No.765 of 2016

PVS (CO)
B.VC (17/08/2021)

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