

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई  
IN THE INCOME TAX APPELLATE TRIBUNAL, 'D' BENCH, CHENNAI  
श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं श्री रमित कोचर, लेखा सदस्य के समक्ष  
BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI RAMIT KOCHAR, ACCOUNTANT MEMBER

आयकर अपील सं./I.T.A.No.2414/Chny/2018  
(निर्धारण वर्ष / Assessment Year: 2014-15)

The Asst. CIT,  
Corporate Circle – 4(1),  
Chennai.

Vs **M/s. L&T Sapura Shipping Pvt.  
Ltd.,**  
Post Box No.979,  
Mount Poonamallee Road,  
Manapakkam, Chennai – 600 089.

**PAN: AABCL8664P**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Shri S. Ramakrishnan, CIT

प्रत्यर्थी की ओर से/Respondent by : Ms. Lakshmi, Advocate

सुनवाई की तारीख/Date of hearing : 21.01.2020

घोषणा की तारीख /Date of Pronouncement : 24.02.2020

**आदेश /ORDER**

**PER N.R.S. GANESAN, JUDICIAL MEMBER:**

This appeal of the Revenue is directed against the order of Commissioner of Income Tax (Appeals) – 8, Chennai dated 08.06.2018 and pertains to assessment year 2014-15.

2. Shri S. Ramakrishnan, the Ld. Departmental Representative submitted that the Assessing Officer disallowed the income declared by the assessee U/s.115VD of the Income Tax Act, 1961 (in short 'the Act'). According to the Ld.DR, the assessee owned a ship by name LTS 3000 which is claimed to be used for construction of off shore structures. According to the Ld.DR, the vessel owned by the assessee has a pipe lay capacity of sizes 6" to 60" in 150m depth of the sea. The Assessing Officer found that the assessee's ship is not a qualifying ship for claiming deduction U/s.115VD of the Act. Referring to Ground No.2.3 of the grounds, the Ld.DR submitted that the vessel was stationed at a particular place during the entire period and it was used for laying the rigs and other deep sea activity in the nature of offshore installations. Since the ship was away from shore and it was permanently static without any movement and it is used for drilling of rigs, according to the Ld.DR, the assessee is not eligible for tonnage scheme.

3. On the contrary, Ms. Lakshmi, the Ld. Counsel for the assessee submitted that the very same issue came before this Tribunal for the very same ship in the assessment year 2011-12. In fact, this Tribunal for the assessment year 2011-12 allowed the claim

of the assessee. This Tribunal after considering the nature of the vessel and it was away from sea shore and it was permanently static without any movement found that this is not an off shore exploration of vessel nor is it an installation. This Tribunal confirmed a similar order of the CIT(A).

4. We have considered the rival submissions on either side and perused the material available on record. The CIT(A) allowed the claim of the assessee by following his own order for the assessment years 2011-12 & 2012-13. For the assessment year 2011-12, the Revenue challenged the order of the CIT(A) before this Tribunal in respect of the very same ship on the very same grounds. This Tribunal after considering the contention of the Department found that the ship LTS 3000 is a self propulsion vessel which was fitted with specialized equipment for setting up of various offshore installations. Therefore, this Tribunal found that the assessee is eligible for tonnage scheme U/s.115VD of the Act. In view of the above finding of this Tribunal for the assessment year 2011-12 in respect of the very same issue, we find no reason to interfere with the order of the lower authority. Accordingly the same is confirmed.

5. In the result, the appeal filed by the Revenue stands dismissed.

Order pronounced in the court on 24<sup>th</sup> February, 2020 at Chennai.

Sd/-

(रमित कोचर)

(Ramit Kochar)

लेखा सदस्य /Accountant Member

Sd/-

(एन.आर.एस. गणेशन)

(N.R.S. Ganesan)

न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,

दिनांक/Dated, the 24<sup>th</sup> February, 2020.

**RSR**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

- |                        |                          |                              |
|------------------------|--------------------------|------------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्थी/Respondent | 3. आयकर आयुक्त (अपील)/CIT(A) |
| 4. आयकर आयुक्त/CIT     | 5. विभागीय प्रतिनिधि/DR  | 6. गार्ड फाईल/GF             |