

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

श्री जॉर्ज माथन, न्यायिक सदस्य एवं  
श्री इंटूरी रामा राव, लेखा सदस्य के समक्ष

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND  
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.3554/Chny/2018  
निर्धारण वर्ष /Assessment Year: 2010-11

Assistant Commissioner of  
Income Tax,  
Non Corporate Circle-20(I),  
Chennai-34.

**Vs. M/s.Raj Television  
Network Ltd.,  
32,Poes Road, 2<sup>nd</sup> street,  
Teynampet,  
Chennai 600 018.  
PAN AAACR 3580 P**

**(अपीलार्थी/ Appellant)**

**(प्रत्यर्थी/ Respondent)**

अपीलार्थी की ओर से/ Appellant by

: Mr.R.Clement Ramesh Kumar  
Addl. C.I.T D.R

प्रत्यर्थी की ओर से /Respondent by

: Mr.G.Baskar,Advocate

सुनवाई की तारीख/Date of Hearing

: 08.08.2019

घोषणा की तारीख /Date of Pronouncement

: 08.08.2019

**आदेश / O R D E R**

**PER GEORGE MATHAN, JUDICIAL MEMBER:**

This is an appeal filed by the Revenue against the Order of the Commissioner of Income Tax (Appeals)-12, Chennai, in ITA No.42/C.I.T(A)-12/2018-19 dated 31.10.2018 for the assessment year 2010-11.

2. Mr.R.Clement Ramesh Kumar represented on behalf of the Revenue, and Mr.G.Baskar represented on behalf of the assessee.

3. It was submitted by Id.DR that the only issue raised in this appeal is against the action of Id.CIT(A) in deleting the purchase cost of Satellite Rights, which had been treated by the Assessing Officer as capital in nature as against revenue expenditure by the assessee. It was a submission that the Id.CIT(A) had relied upon the decision of Co-ordinate Bench of this Tribunal in assessee's own case for immediately preceding assessment year 2009-10 in ITA No.1522/Mds./2013 vide order dated 17.04.2015. Further, it was submitted by Id.DR that the order of Tribunal in assessee's own case referred to supra has not been accepted by the Department and Revenue's appeal against the Order of Tribunal dated 17.04.2015 is pending before the Hon'ble Jurisdictional High Court.

4. In reply, Id.AR vehemently supported the order of Id.CIT(A). He drew our attention to para 5.3 of order of Tribunal in ITA No.1522/Mds./2013 for assessment year 2009-10 vide order dated 17.04.2015 wherein it has been held as follows:-

*"5.3. We have heard both the parties and carefully perused the materials available on record. On perusing Rule 9B of the Income Tax Rules, it is clear that when the film rights is acquired during the previous year and if the film is exhibited in the same year generating income, then the entire expenditure incurred for acquiring the film is allowed as deduction during*

*the same previous year. In the instant case before us also, the assessee has acquired the film rights and broadcasted during the same previous year. When the analogy of Rule 9B is considered, then in the case of the assessee, the entire expenditure incurred for acquiring the film rights has to be written off in the same year when the film is broadcasted. It should be noted that though the film rights vested with the assessee over a number of years and remains as an asset, the capability of earning income gets predominantly exhausted once the film is broadcasted. From the subsequent broadcast onwards the income derived will be minimal when compared with the initial broadcasting of the film. Therefore, in order to adhere to the matching concept recognized by the Act, Rule 9B is brought in to tide over the peculiar circumstances of the issue. The Ld. CIT (A) also has considered the various aspects and decided the issue in favour of the assessee by treating such expenditure as revenue in nature. In these circumstances, we are of the opinion that no interference is necessary with the order of the Ld. CIT (A). Hence the issue is decided in favour of the assessee.”*

5. We have heard the rival contentions and perused the material available on record. As it is noticed that the issue raised in this appeal is squarely covered by the decision of Tribunal in assessee's own case for assessment year 2009-10 referred to supra, and Id.CIT(A) followed the judicial discipline in following the decision of Co-ordinate Bench of this Tribunal in assessee's own case for immediately preceding assessment

year, there is no reason to interfere in the order of Id.CIT(A).

6. In the result, the appeal of Revenue is dismissed.

Order pronounced in the open court after conclusion of hering on the 08<sup>th</sup> August, 2019 in Chennai.

Sd/-  
(इंटूरी रामा राव)

**(INTURI RAMA RAO)**

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-  
(जॉर्ज माथन)

**(GEORGE MATHAN)**

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 08<sup>th</sup> August, 2019.

K S Sundaram

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