

**आयकर अपीलीय अधिकरण “जी” न्यायपीठ मुंबई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“G” BENCH, MUMBAI**

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं  
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।  
**BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND**  
**HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**  
(Hearing through Video Conferencing Mode)

आयकर अपील सं./ I.T.A. No.1969/Mum/2017  
(निर्धारण वर्ष / Assessment Year: 2008-09)

<b>Globex Travels &amp; Exchange Ltd.</b> B-109, Pranav Commercial Complex M.G. Road, Mulund(W) Mumbai-400 080.	<b>बना</b> <b>म/</b> <b>Vs.</b>	<b>DCIT-9(3)(2)</b> Room No.418, 4 <sup>th</sup> Floor Aaykar Bhawan, MK Road Mumbai-400 020.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AABCG-4127-C</b>		
(□ पीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

<b>Assessee by</b>	:	Shri Paresh Shah-LD AR
<b>Revenue by</b>	:	Shri T.S. Khalsa- Ld. Sr. DR

सुनवाई की तारीख/ <b>Date of Hearing</b>	:	07/01/2021
घोषणा की तारीख / <b>Date of Pronouncement</b>	:	07/01/2021

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year [in short referred to as ‘AY’] 2008-09 contest the order of Ld. Commissioner of Income-Tax (Appeals)-16, Mumbai, [in short referred to as ‘CIT(A)’], Appeal No.CIT(A)-16/IT-273/DCIT-9(3)(2)/2014-15 dated 10/02/2016 on certain grounds of appeal.
2. The registry has noted a delay of 344 days in the appeal, the condonation of which has been sought by the assessee on the basis of condonation petition which is supported by the affidavits of

assessee's director as well as Manager and Accountant. The delay has been attributed, inter-alia, to the fact that business operations had closed down and there was frequent change in the board of directors. Further, the concerned director looking after the taxation matter was suffering from medical adversities. Also, there was lack of coordination between assessee's advocate and Chartered Accountant which led to delay in filing of appeal. Upon perusal of these documents, we are inclined to condone the delay and proceed for disposal of the appeal on merits.

3. During the course of hearing, Ld. AR, Shri Paresh Shah, withdrew ground no.2 of the appeal whereas ground nos. 5 & 6 are general in nature. The effective grounds urged before us are ground nos. 1, 3 & 4 which read as under: -

1. On the facts and in the circumstances of the case and in law the Learned Assessing Officer erred in ignoring material available with him and disallowed expenses ignoring the nature thereof, audit report, books of accounts and submissions filed.

2. Withdrawn

3. On the facts and in the circumstances of the case and in law the Learned Assessing Officer erred in adding same income twice - interest income - first by treating business loss as nil (wherein interest income is reflected) and then by considering under the head income from other sources.

4. On the facts and in the circumstances of the case and in law the Learned Assessing Officer erred in denying claim of carry forward of business loss of prior year (AY 2008-09) of Rs. 43,53,265/-

5. General in nature

6. Prayer

4. We have carefully heard the rival submissions and perused relevant material on record. Our adjudication to the subject matter of appeal would be as given in succeeding paragraphs.

5.1 The assessee was assessed for the year under consideration u/s 143(3) r.w.s. 147 on 29/01/2015. The assessee had not filed return of income for the year under consideration. However, the

perusal of Form 26AS information revealed that the assessee received interest income, commission and rental income aggregating to Rs.10.96 Lacs. Accordingly, the case was reopened as per due process of law. The statutory notices u/s 143(2) & 142(1) were issued in due course of time. The assessee was stated to be engaged in the business of foreign exchange, tour & travelling etc. but the business was stated to be closed down during June-July of the financial year. No business activities were stated to be carried out thereafter except for completion of legal formalities required for closure of business.

5.2 Upon perusal of financial statements, it transpired that the assessee claimed expenditure of Rs.69.95 Lacs and computed business loss of Rs.45.53 Lacs. Accordingly the assessee was directed to furnish requisite details as well as documentary evidences to substantiate the expenditure so claimed in the Profit & Loss Account. But despite being provided with several opportunities, the assessee could not file requisite details / documentary evidences. Consequently, the business loss of Rs.45.53 Lacs as claimed by the assessee was disallowed and the total income was computed at Rs.5.29 Lacs.

6. Though the assessee preferred further appeal before Ld. CIT(A) but even during appellate proceedings, no specific evidences supported with necessary bills and vouchers could be produced. The Ld. CIT(A) noted that the assessee had claimed expenditure of Rs.69.95 Lacs whereas Ld. AO disallowed only expenditure of Rs.45.53 Lacs which mean that expenditure of Rs.24.41 Lacs was already allowed which would be sufficient to

cover the necessary expenditure to be incurred by the assessee for closed business. It has also been observed that even during appellate stage, no cogent material or evidences could be produced to substantiate the claim. Accordingly, the assessment as framed by Ld. AO was confirmed. Aggrieved, the assessee is in further appeal before us.

7. After considering rival submissions and material on record, we find that the position before us has remained, more or less, the same. The assessee is unable to substantiate the expenditure thus claimed in Profit & Loss Account with documentary evidences. No new material has been placed before us which would warrant us to deviate from the stand of Ld. CIT(A). The complete onus to substantiate the business expenditure was on assessee and despite being provided with ample opportunities to do the same, the assessee is unable to file the requisite details and documentary evidences. Accordingly, we see no reason to interfere with the impugned order. Ground No.1 stand dismissed. In Ground No.3, it has been pleaded that interest income has been added twice since the interest income was credited to Profit & Loss Account while the same has separately been treated as Income from Other Sources. We are of the considered opinion that if interest income is excluded from profit & loss account, the business loss would increase further. However, the same would still be not be allowable since the assessee has not substantiated any expenditure. The interest income has rightly been assessed under the head *Income from other sources* keeping in view the assessee's nature of business. In Ground No.4, the assessee seek carry forward of business losses.

This ground become infructuous in view of the fact that business losses as computed by the assessee have been held to be not allowable.

8. The appeal stand dismissed in terms of our order.

*Order pronounced on 07<sup>th</sup> January, 2021.*

**Sd/-**  
**(Mahavir Singh)**  
उपाध्यक्ष / **Vice President**

**Sd/-**  
**(Manoj Kumar Aggarwal)**  
लेखा सदस्य / **Accountant Member**

मुंबई Mumbai; दिनांक Dated : 07/01/2021  
Sr.PS, JaisyVarghese

**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त(अपील) / The CIT(A)
4. आयकरआयुक्त/ CIT– concerned
5. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, मुंबई/ DR, ITAT, Mumbai
6. गार्डफाईल / Guard File

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt.Registrar)  
आयकरअपीलीयअधिकरण, मुंबई / ITAT, Mumbai.