

IN THE INCOME TAX APPELLATE TRIBUNAL "G" BENCH, MUMBAI

BEFORE SHRI PRASHANT MAHARISHI, AM
AND
MS. KAVITHA RAJAGOPAL, JM

ITA No. 1711/Mum/2021
(Assessment Year 2015-16)

The Dy. Commissioner of Income
Tax,
Central Circle-1(2),
906, 9th Floor, Pratishtha Bhavan,
Old CGO Bldg. (Annexe),
M.K. Road, Mumbai-400 020

M/s Sunny Vista Realtors Pvt.
Ltd.
511, Dalamal Towers, 211,
Nariman Point,
Mumbai-400 021

(Appellant)

(Respondent)

PAN No. AAKCS1269E

Assessee by : Ms. Kinjal Bhuta,
Nihar Mehta & Jayesh B.
Kapani, CAs'
Revenue by : Dr. Pallavi Darade, CIT DR

Date of hearing: 30.05.2022
Date of pronouncement : 26.08.2022

ORDER

PER PRASHANT MAHARISHI, AM:

01. This appeal is filed by Dy. Commissioner of Income Tax, Central Circle 1(2), Mumbai (the learned Assessing Officer) for A.Y. 2015-16 against the order passed by the Commissioner of Income-tax (Appeals)-47, Mumbai [the learned CIT (A)] dated 15th July, 2021 raising following grounds of appeal:-

"1. Whether on the facts and in the circumstances of the case and in law, the Ld CIT(A) was correct in deleting the disallowance of fixed assets of



Rs.7,03,45,263/- without considering that since the assets are not part of the inventory which has been sold off in auction, they are a capital loss and thus cannot be written off as expenditure by the assessee.

2. Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(A) was Correct in deleting the disallowance of deferred tax assets of Rs.27,00,00, 000/- without considering the fact that such deferred tax assets included unabsorbed business loss, depreciation, provision for doubtful advances etc., which are not part of auctioned inventory and as such they cannot be part of the asset which has been written of."

02. Brief facts of the case shows that assessee is a company engaged in the business of construction and development activities. It filed its return of income on 17th October, 2016 at ₹ nil. The case was selected for scrutiny. The fact shows that assessee is in the construction and development of Special Economic Zone (SEZ). During the course of assessment proceedings, learned Assessing Officer noted that it has claimed an expenditure of ₹107,50,19,645/- on account of loss under SARFAESI Act. The learned Assessing Officer questioned the same, the assessee submitted that SEZ construction contracts were issued to Maytas Infrastructure, which were terminated to due to Satyam Financial scam in January, 2009 and therefore, the construction project was delayed. The assessee has obtained loans from bankers and could not meet the repayment schedule. The bankers issue notice of



default and has taken over the possession property under the above Act. The lender properties were auctioned and the outstanding loan was partly adjusted against the same as the properties have been taken over under the SARFAESI Act and hold the net result has been claimed by the assessee as loss on sale under SARFAESI Act. Assessee further submitted that it has written off all the assets. The assessee also submitted the public notice and terms and conditions of such auction. The learned Assessing Officer considered the explanation of the assessee and found that the above fixed assets are not part of the inventory of the business to the extent of ₹7,03,45,263/- and therefore, the same is a capital loss and he disallowed the same. He also found that there is a deferred tax assets of ₹27,00,00,000/- also not a part of inventory sold off, accordingly, he disallowed the deferred tax assets also. In the result, the total income of the assessee was computed at a loss of ₹73,34,47,560/- by assessment order dated 30th December, 2017 passed under Section 143(3) of the Act. While making addition the Id AO held as under :-

"3. The assessee company is engaged in the business of construction and development of Special Economic Zone (SEZ). Considering the submissions made and hearing conducted, documents/evidence produced and information available on records, the total income of the assessee is computed as under after making following addition/disallowances:

4. *Disallowance of loss (Fixed Assets and Deferred Tax Asset) claimed under SARFAESI Act: -*

4.1 *During the course of assessment proceedings, on perusal of the submission of the assessee, it is seen that the assessee has claimed an expenditure of Rs. 1,07,50,19,648/- on account of loss under SARFAESI Act under the head other expenses in Profit & Loss Account. The assessee was asked to furnish the details and explanation regarding this.*

4.2 *In response to that, the assessee furnished the submission, wherein it is stated:*

"Sunny Vista Realtors Pvt. Ltd is a registered company incorporated on 8 May, 2006 with the Objective of real estate development of Special Economic Zone (SEZ). Assessee is engaged in constructing a SEZ at Panvel, Maharashtra. The notification in Official Gazette approving the SEZ publish on 19 February, 2009.

The project in Panvel is a notified SEZ to an extent of 345 Acres. The SEZ notification was issued on 19-Feb-2009. MIDC was appointment as SPA for the SEZ project in Oct 2009 and the approval for building plans of first phase in respect of Residential and Commercial Buildings were received in Oct 2010. 2 Commercial and about 15 residential buildings are under construction at Panvel,

The construction contracts for buildings were issued to Maytas Infrastructure which had to be



terminated due to Satyam Fiasco in Jan 2009. During the recession, there were some slippages and the construction projects were delayed further. Group had obtained loans from consortium of bankers/financial institutions and was unable to meet with repayment schedule of interest and principal thereof.

As result of which work had stopped and most of the staff had left the group and total activity came to a standstill.

The company had obtained loans from consortium of bankers/Financial Institutions headed by Punjab National Bank and were unable to meet with the repayment schedule of interest and principal thereof. Punjab National Bank along with the authority from other Bankers/ Financial Institutions has issued notice of default for repayment to the company which had mortgaged the Property. During the year, Punjab National Bank has taken over the possession of the mortgaged Property and under the provisions of SARFAESI Act; has e-auctioned the Mortgaged Property was sold by Punjab National Bank in the month of October, 2014 and has set-off the proceeds from such sale against the outstanding Loans and interest thereon due to the consortium of Lenders.

The company was unable to meet with its financial obligations towards repayment of principal amount of loan and interest thereon

with the banker's /NBFC and accordingly, the part of the project has been auctioned by Punjab National Bank during the current year under SARFAESI Act. Accordingly, the loan has been settled on 30.10.2014 against the assets and liabilities of the project resulting into a net loss which is shown under the head "Loss on sale under SARFAESI Act".

Company has written off all the assets ie. Land, project development expenses and other costs related construction and development. Further company has written back amount received from members, advance received towards sale of flats, loans from banks and institutions and shown net amount as Loss on sale under SARFAESI Act and the same should be allowed as it has arisen out of the business carried on by the assessee.

4.3 Further, the assessee has submitted that:

At the time of Loan sanction/ execution of Agreements, all the lands then owned by the Company viz. 588.01 acres at Panvel, dist. Raigad, Maharashtra together with all developments, present and future on the said land alongwith the receivables and other accruals thereon ("Secured Assets/Project") were mortgaged with the lenders.

Pursuant to the provisions of SARFAESI, PNB had taken over the Secured Assets/Project and



e-auctioned the Project vide public notice dated 19-Aug-2014 published in Hindustan Times, (Mumbai edition) on 20-Aug-2014. Copy of the said e auction notice has been submitted to your good office and attached herewith, once again, for your ready references as Annexure-A. Some of the key pointers emanating from the mortgage/notice are as under:

- 1. All the secured Assets/Project was on Sale under the said public notice of e-auction.*
- 2. Against the loan sanction, all the Project developments (Capex, WIP, Receivables and Inventories) in respect of the said 588.01 acres of land, were mortgaged with the lenders.*
- 3. Hence, for any allotment of flat, an NOC was being obtained from the lenders (through PNB).*
- 4. The auction of the Project was on "AS IS WHERE IS" and "AS IS WHAT IS" basis.*
- 5. The Reserve Price of the auction was fixed at Rs. 550 Crs.*
- 6. Upon fulfillment of the Sale, all the lenders issued a "No Due Certificate" in favour of the Company as discharge of all its liabilities and to satisfy the charge created by the Company on its assets which was sold under the auction.*



The Company was envisaging the development on the entire 588.01 acres of land in phase over time. Of the said 588.01 acres, the Company had notified 345 acres (139.83 Hectares) of land as sector specific SEZ for services sector as per the SEZ Act, 2006. Copy of the Gazette Notification dated 09-Feb-2009 is attached herewith in Annexure-B for the notification of the said SEZ.

The first phase of the project comprised of 29.17 Hectares (72 Acres) which was further extended to 112 Acres within the said notified SEZ. As SEZ envisages development of Processing Area (minimum 50% land area) to build Commercial buildings for establishment of units and the balance to be Non-Processing Area (for social infrastructure including Residential). Also under the provisions of the SEZ Act, the development shall be with complete infrastructure including reliable power and plug and play mechanism. The Company developed the first phase with 50% Processing Area (2 Commercial Buildings) and balance 50% Non-Processing Area (10 Residential Buildings) together with necessary infrastructure including the Roads, Distribution Networks, Landscaping, etc... Copy of the approvals from MIDC for the layout and the building plans (both in Processing and Non-Processing Area) sanctioned on 13-Oct-2010 and 27-Oct-2010 are attached herewith in



Annexure-C. The approval for the extended phase with additional Commercial buildings in Processing Area and additional 5 Residential Buildings in the Non-Processing Area was received in 2012 and are attached herewith in Annexure-D with the subsequent phases to be developed over time.

The company has been capitalizing the development-Construction works (both in Processing Area and Non-Processing Area).

The project office, Store Rooms and Godowns were established at the site on the said land, in the current phase of development for constructions works together with other incidental assets like computers, furniture and vehicles and were capitalized as Fixed Assets (Net Value on date of Sale- Rs. 7,03,45,263/-).

As on the date of SARFAESI e-auction, the project (including development) of 588.01 acres which was mortgaged to the lenders was e-auctioned under public notice on "AS IS WHERE IS" AND "AS IS WHAT IS" basis. Thus the entire developments of the current phase on the said land of 588.01 acres together with the land was sold under the e-auction.

Thus all the assets (Fixed and current) in respect of the development on the said mortgaged land were sold off to meet with the

outstanding liabilities of the lenders. Trade liabilities and customers Advances towards allotment of the flats which were shown as liabilities is now extinguished upon sale under SARFAESI.

Accordingly, upon sale under SARFAESI, the Company suffered a loss of Rs.107,50,19,645/- against the sale of assets to meet with the outstanding liabilities. The Shomary is given herein below:

	Dr (Rs.)	Cr.(Rs.)
Fixed Assets	703,45,263	
Fixed Assets–Capital WIP	2690,78,407	
Deferred Tax Asset	2700,00,000	
Development Works & Inventories	121398,41,928	
Other Current Assets (Service Tax & VAT Recbl)	599,24,720	
Short Term Loans & Advances (project Advances)	10001,06,035	
Long Term Borrowings		5100,00,020
Trade Payable		1547,26,912
Other Current Liabilities		70695,49,777
Total	138092,96,354	1273,42,76,709

4.4 It is gleaned from the above that as per the auction by the PNB Bank, the project (including development) located in the Panvel area of the assessee was sold off, and the loan amount recovered by the bank. Accordingly, the assessee had written-off the sold assets against the extinguished liabilities of loan, advances etc.

Vide order sheet notings dated 02.11.2017 and 15.12.2017, the assessee was asked to provide the

details of all the assets which have been written-off subsequent to the auction of its inventory under SARFAESI Act by PNB Bank.

As per the details filed by the assessee, it is seen that along with its assets (Development Work & Inventories, WIP, current assets etc), the assessee has written of Fixed Assets of Rs. 7,03,45,263/- and Deferred Tax Asset of Rs. 27,00,00,000/- also.

Disallowance of Fixed Assets

4.5 Further, from the details filed, it is seen that the break-up of the fixed assets is asunder:

Fixed Assets	Gross Block(Rs.)	Acc. Depn (Rs.)	Net value (Rs.)
Buildings	45076293	37720416	7355877
Plant & Machinery	97185974	45958444	51227530
Office Equipments	10384268	6525805	3858462
Furniture & Fixtures	10729644	6422271	4307374
Lease Hold Improvements	7034342	7026387	7954
Computer Hardware	11962477	10240695	1721782
Vehicles	7427121	5560837	1866284
Total	189800119	119454855	70345263

Also from the books of account, it is found that these fixed assets are not part of the Inventory of the business. The same has been utilized by the assessee for business purpose and has been claiming depreciation on it over the years. However, the assessee has treated it as part of the inventory/stock that has been written off against the sale of property under SARFAESI Act. The asset, not part of the inventory which has been sold off in auction, can't be

written off as expenditure by the assessee, as it is a capital loss.

4.5 Accordingly, the assessee was show caused why the fixed assets of Rs. 7,03,45,263/ should not be disallowed from the loss under SARFAESI Act. In response to that, the assessee could not furnish any satisfactory reply or submission.

Therefore, Rs. 7,03,45,263/- is hereby disallowed from the loss under SARFAESI Act and added to the total income of the assessee."

03. Assessee aggrieved with the order preferred the appeal before the learned Commissioner of Income-tax (Appeals). The learned CIT (A) noted that assessee has claimed total loss of ₹107,50,19,645/- out of that fixed assets of ₹7,07,45,263/- and ₹27,00,00,000/- with respect to deferred tax assets, was disallowed. He noted that when the total project of the assessee was taken over by the financial institutions, the assets were located at the project site itself. The financial institutions sold it 'as is where is' and 'as is what is' basis, those assets did not remain with the assessee. He held that there is no evidence with the learned Assessing Officer that all these assistance comprising in the block of ₹7,03,45,263/-, hence, building, plant and machinery, office equipment, furnitures, computers and vehicles remain with the assessee and therefore, the disallowance made by the learned Assessing Officer was sufficient basis. With

referred to the write off credit of ₹ 27,00,00,000/- to deferred tax credit, he held that now there is no chance that assessee could make any use of any unabsorbed losses or depreciation for which deferred tax were credited. He further held that when there is no future business the deferred tax assets could not have been carried on in the balance sheet, hence, he deleted the addition holding as under :-

"8.1 I have considered the facts of the case, submissions and contentions of the assessee as also order of the AO. On perusal of the facts of the case, it appears that the assessee had received huge loan from the consortium of banks, led by Punjab National Bank, to construct its SEZ at Panvel. However, assessee company failed to service the loan and could not pay interest and principle amount, as per schedule laid down and the same became NPA. It is gathered that the project land and other assets were mortgaged to the bank at the time of taking loan. Therefore, the Punjab National Bank took over the entire project and auctioned it to the highest bidder as on 30.10.2014. As per the details filed, as against total loan book value of the assets at Rs.13,80,92,96,354/, the auction amount and other recoverable were only Rs.12,73,42,76,709/-. Thus, loss of Rs.107,50,19,645/ occurred, which has been claimed by the assessee in the return. The details of

8.2 It appears that though the AO was partly satisfied with the details submitted by assessee, however, he was not satisfied with two items firstly the fixed

assets of Rs.7,03,45,263/- and deferred tax assets of Rs.27 crore. The Differed Tax Asset of Rs.27 crore is subject matter of ground no.2 and therefore not discussed here. As regard fixed assets of Rs. 7,03,45,263/-, the contention of the AO was that since the fixed asset were not part of the project, they could not have been auctioned by the PNB and the same should be with the assessee and therefore no losses could be booked on account of their impairment. The assessee has however argued that these fixed assets of Rs.7.03,47,263/- were located at the project site itself and were auctioned by the PNB, along with project under consideration. The details of these assets are reproduced as under:

	Dr (Rs.)	Cr.(Rs.)
Fixed Assets	703,45,263	
Fixed Assets–Capital WIP	2690,78,407	
Deferred Tax Asset	2700,00,000	
Development Works & Inventories	121398,41,928	
Other Current Assets (Service Tax & VAT Recbl)	599,24,720	
Short Term Loans & Advances (project Advances)	10001,06,035	
Long Term Borrowings		5100,00,020
Trade Payable		1547,26,912
Other Current Liabilities		70695,49,777
Total		1273,42,76,709
Loss on Sarfaesi Sale		1075019645

8.2 It appears that though the Assessing Officer was partly satisfied with the details submitted by assessee, however, he was not satisfied with two items firstly the fixed assets of ₹7,03,45,263/- and deferred tax assets of ₹27 crore. The Differed Tax Asset of ₹27 crore is subject matter of ground no.2

and therefore not discussed here. As regard fixed assets of ₹7,03,45,263/-, the contention of the Assessing Officer was that since the fixed asset were not part of the project, they could not have been auctioned by the PNB and the same should be with the assessee and therefore no losses could be booked on account of their impairment. The assessee has however argued that these fixed assets of ₹7,03,47,263 were located at the project site itself and were auctioned by the PNB, along with project under consideration. The details of these assets are reproduced as under:-

Fixed Assets	Gross Block(Rs.)	Acc. Depn (Rs.)	Net value (Rs.)
Buildings	45076293	37720416	7355877
Plant & Machinery	97185974	45958444	51227530
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Computer Hardware	11962477	10240695	1721782
Vehicles	7427121	5560837	1866284
Total	189800119	119454855	70345263

8.3 From the facts of the case and explanation it appears that these assets were also located in the office of the assessee at project site itself. Since these assets were located at the project site itself at Panvel and were sold by the PNB on the basis of "as is and where is" basis, the AO could not have treated the same separately and could not conclude that these assets remained with the assessee company after auction of the project. In fact there is no evidence of the same, nor any such evidence has been brought out by the AO on the record. In the



circumstances, the decision of the AO, in disallowing a sum of Rs.7,03,45,263/-, out of the losses incurred by assessee, on transfer of project appears to be without sufficient basis and is therefore, directed to be deleted.

8.4 Consequently, this ground of assessee is directed to be allowed."

04. He also deleted the disallowance on account of write off of deferred tax as under :-

"9.0 Decision on Ground No. 2

9.1 Ground no.2 of the assessee deals with addition of Rs.27 crore made by the AO by disallowing deferred tax assets etc. and losses accrued to the assessee, on auction of the project. The assessee has argued that these assets were deferred tax assets and were on account of business losses, depreciation losses etc. and no benefit of the same has been taken by the assessee subsequently, as it was a special purpose vehicle, and after auction nothing was left and business stopped completely and the company went in liquidation

9.2 The AO while dealing with this in the and body of the assessment order has observed as under:

11.1 Further, from P&L a/c, it is seen that the breakup of Deferred Tax Asset of ₹27,00,00,000 is as under:



Difference in depreciation in block fixed assets as per international transaction Act, 1961	(14651234)
Provision for doubtful advances	20294937
Unabsorbed business loss	254687910
Unabsorbed depreciation	20548185
Deferred tax assets	280879798
Deferred tax assets recognized in the financial statements	270000000

11.2 It is observed that deferred tax assets include unabsorbed business loss, depreciation, provision for doubtful advances etc. which are not related to the inventory or stock of the business which has been sold off in the auction. Thus, deferred tax asset cannot be part of the asset which has been written off by the assessee, as it is not a part of the inventory sold off.

11:3 Accordingly, the assessee was asked why the deferred tax assets amounting to Rs.27,00,00,000/- should not be disallowed as this includes provision for doubtful advances, unabsorbed business loss, unabsorbed depreciation etc which are not relatable to the stock and not a part of e-auction. In response to that, the assessee could not furnish any satisfactory reply or submission.

11.4 Therefore, Rs. Rs.27,00,00,000/- on account of deferred tax asset is hereby disallowed from the loss under SARFAESI Act and added to the total income of the assessee.

11.5 Penalty proceedings u/s.271(1)(c) of the I.T. Act 1961 are also initiated for furnishing inaccurate particulars of income."

9.3 During the course of appellate proceedings, the assessee contended that this project was auctioned by the Panjab National Bank on the basis of "as is, where is basis". Since entire business was sold, there was no way that deferred tax assets could have been retained or utilized subsequently and therefore, AO was not justified in excluding such assets, out of overall sales and then reducing the consequential loss. It has been argued that this company was a special purpose vehicle, created for, execution of only this project at Panvel and after this project was taken over and auctioned by the bankers, no further business was executed and the company simply went in liquidation cum winding up process and no benefit as such of even these losses has been taken, let alone the deferred tax assets or any other assets. The assessee accordingly argued that the action of the AO, in rejecting the loss was unjustified.

9.4 I have considered the arguments of the assessee and facts of the case. It appears that this company was engaged in development of a Special Economic Zone at Panvel. The assessee had raised loans of Rs. 650 Cr. From consortium of banks headed by PNB. Since the project did not progress on expected lines and loans to the banks could not be serviced, the entire project was taken over by PNB, and was sold out to highest bidder and in auction only



an amount of Rs. 55 Cr., resulting into losses. Consequently losses of Rs. 107,50,19,645/- occurred, details of which are available in previous para page 10 of this order. After the auction on 30.10.2014, the company was left with no business. Thereafter, there is no reason as to how and why assessee could make any use, of unabsorbed of business losses or unabsorbed depreciation, when there was no business. In the circumstances, the AO does not appear to be justified in excluding sum of Rs.27 crore out of total assets so liquidated/ sold in the process of auction. Even otherwise if this amount in nature of brought forward business losses or unabsorbed depreciation is excluded here it is required to be carried forward separately to the subsequent years in accordance with provisions of Section 71 & 72 of I.T. Act. Therefore, the position of overall losses remains the same and it is losses only whether brought forward from earlier years or occurred in this year on account of liquidation of deferred tax assets. Either way situation does not change in any way as this loss could not be adjusted in the subsequent years simply because there was no business and the company went in liquidation. Therefore, there was no reason or occasion at the end of the AO to make any addition on this account in the hands of the assessee. Consequently, disallowance made by the AO in this regard from the losses occurred on auction of the project is directed to be deleted.

9.5 Therefore, ground no.2 of the assessee is also allowed.”



05. Therefore, aggrieved by the order of the learned CIT (A), Assessing Officer is in appeal before us.
06. The learned Departmental Representative supported the order of the learned Assessing Officer and submitted that the learned assessing officer is correctly disallowed the capital expenditure debited to the profit and loss account. He further submitted that the deferred tax write-off cannot be allowed as a deduction in any circumstances because of the reason that it is merely an entry for provision which does not impact the tax liability of the assessee at all..
07. The Authorized Representative submitted a paper book containing 106 pages and also relied upon the decision of Hon'ble Madras High Court in case of Share Aids (P.) Ltd. Vs. ITO [2021] 124 taxmann.com 256 (Madras) and also of Hon'ble Karnataka High Court in case of ACE Designers Ltd. Vs. Addl. CIT [2020] 120 taxmann.com 321 (Karnataka). He further relied on the decision of Hon'ble Supreme Court in case of Ramchandar Shivnarayan vs. CIT [1978] 111 ITR 263 (SC). The assessee is also furnished a paper containing 106 pages which contains the audited annual accounts and submissions made before the learned assessing officer as well as before the learned CIT – A.
08. We have carefully considered the rival contention and perused the orders of the lower authorities. In the present case certain assets were mortgaged by the assessee to the financial institutions. It also included certain capital assets. As assessee failed to honour its commitment of repayment



to the financial institutions, the property of the assessee were auctioned. On auction of the property, the sale consideration was considered towards the repayment of the loan. As the assessee lost the property, it recorded loss on such sale of assets the profit and loss account and claimed it as a revenue expenditure. Further, assessee has deferred tax assets, due to the reason that there was no foreseeable possibility of utilisation of such deferred tax assets, assessee has written off such amount to the profit and loss account and claimed it as a deduction. The learned assessing officer disallowed the same holding that it is a capital expenditure cannot be allowed, on appeal, the learned CIT – A allowed the claim of the assessee. We find that the right off the loss on transfer of capital asset cannot be allowed to the assessee as a revenue loss. The learned CIT – A is incorrect in allowing such loss. Only a revenue loss which are incurred during the year are allowable as a deduction. Such loss debited by the assessee is not at all a revenue loss. Hence, we reverse the order of the learned CIT – A on account of allowing the deduction of write-off of the asset to the assessee as revenue expenditure.

09. Similarly, the deferred tax asset is not an item which can be claimed as a deduction as revenue expenditure on its right for the simple reason that it is not at all an expenditure. Further such deferred tax assets are created on account of timing difference between profits and tax profits. At the time of creation, it is not allowable as an expenditure or not chargeable as income and further when



it is written off, or written back, it is not charged to tax or granted as deduction. Therefore, write-off of the deferred tax assets is not an expenditure at all. Further, it is not also deductible loss as in fact it is merely a book entry. Therefore, the learned CIT – A has erred in allowing the deduction to the assessee on this account.

010. All the decisions cited by the learned authorised representative clearly shows that only revenue loss which is incurred during the year arising out of the business being carried on by the assessee is allowable as deduction u/s 29 of the act. The loss claimed by the assessee is not at all a revenue loss.

011. In view of our above finding, the orders of the learned CIT – A is reversed on both the accounts in allowing the capital loss as well as the right of deferred tax assets. Both the grounds raised by the learned assessing officer are allowed.

012. In the result appeal of the learned AO is allowed.

Order pronounced in the open court on 26.08.2022.

Sd/-
(KAVITHA RAJAGOPAL)
(JUDICIAL MEMBER)

Sd/-
(PRASHANT MAHARISHI)
(ACCOUNTANT MEMBER)

Mumbai, Dated: 26.08.2022

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. The CIT(A)



4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Mumbai