

IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'E' : NEW DELHI)
BEFORE SH. N.K.BILLAIYA, ACCOUNTANT MEMBER
AND
SH.ANUBHAV SHARMA, JUDICIAL MEMBER
ITA No. 6532/Del/2015, A.Y. 2008-09

DCIT New Delhi	Vs.	M/s. INX News Pvt. Ltd. B-116, Ground Floor, Okhla Industrial Area, Phase-1, New Delhi PAN :
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Assessee by	Sh. Pradeep Singh Rawat, Adv.
Revenue by	Ms. Sarita Kumar, CIT-DR

Date of hearing:	25.04.2023
Date of Pronouncement:	23.05.2023

ORDER

Per Anubhav Sharma, JM :

The appeal has been preferred by the Revenue against the order dated 13.08.2015 of CIT(A)-4, Mumbai (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in appeal No. CIT(A)-4/Tr-426/Appeal(3)/ACIT.16(1)/2015-16 arising out of an appeal before it against the order dated 24.12.2010 passed u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred as 'the Act') by the DCIT-5(2), Mumbai (hereinafter referred as the Ld. AO).

2. The facts in brief are that after going through the details filed by the appellant, the A.O. observed that as per Schedule 14 to P&L Account, the following are the only credit to P&L Account:-

i)	<i>Interest</i>	Rs.25,61,059/-
ii)	<i>Dividend Income</i>	Rs.28,59,438/-
iii)	<i>Profit on sale of investment</i>	Rs.28,59,512/-
iv)	<i>Miscellaneous Income</i>	Rs. 350/-

In the computation of income, according to A.O., the appellant has subjected to tax interest income under the head 'income from other sources', dividend has been claimed exempt, profit on sale of investment has been considered for tax under the head capital gain. It was, therefore, observed that miscellaneous income could not be said to be business income whereas the appellant after claiming various expenses and allowances arrived at a business loss of Rs.49,13,34,690/-. The appellant was asked to explain the claim of expenses under the head business and arriving at a business loss of Rs.49,13,34,690/-. It is mentioned that the appellant failed to furnish any document to establish that the company was really involved in any business activity during the relevant previous year. The Assessing Officer, therefore, disallowed the business loss claimed holding that since no business activities had been carried out during the year, the same is not allowable and brought to tax the capital gain and income from other sources totaling to Rs.53,90,920/-.

3. The appeal before Ld. CIT(A) remand report was called upon the written submissions of the assessee and the paper book filed for which the Ld. AO submitted that para 4.5 of Ld. CIT(A) "*4.5 Thus the only issue to be verified is whether the claim of launch of news channel is correct. From the submission/proof it appears that channel was inaugurated on 27.03.2008. And this is also genuine that before inauguration assessee must have incurred some expenses but fixed asset schedule is showing that most of the assets were put to use on 27.03.2008, so it is doubtful that this much expenses was incurred during the year.*"

4. The Bench is of considered opinion that Ld. CIT(A) has rightly appreciated the facts in the light of the submissions of assessee and the remand

report once statutory permission were received from the competent authority on 21.09.2007 the business operations of the assessee company required creation of content and resources for broadcasting the news. The Ld. AO had failed to appreciate the nature of business of the assessee to conclude that the assessee had not done any business activity during the relevant period. Thus, there is no substance in the grounds raised by the revenue, **Consequently, the appeal of revenue is dismissed.**

Order pronounced in the open court on 23rd May, 2023.

Sd/-

(N.K.BILLAIYA)

ACCOUNTANT MEMBER

Date:-23rd.05.2023

Binita, SR.P.S

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

(ANUBHAV SHARMA)

JUDICIAL MEMBER

ASSISTANT REGISTRAR
ITAT, NEW DELHI