IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.929 OF 2017

Pr. Commissioner of Income-Tax-1 … Appellant
V/s.
The Cricket Club of India … Respondent

Mr.Suresh Kumar with Ms.Swapna Gokhale and Ms.Sumandevi Yadav for the Appellant.
Mr.R.Murlidharan i/by Mr.Atul Jasani for the Respondent.

CORAM : AKIL KURESHI AND
S.J.KATHAWALLA, JJ.
DATE : JUNE 06, 2019.

P.C.:-

1. This appeal is filed by the revenue to challenge the judgment of the Income Tax Appellate Tribunal ("Tribunal" for short). Following question is presented for our consideration:-

> "Whether on the facts and circumstances of the case and in law, the ITAT was correct in holding that expenditure incurred by way of renovation and Interior work of Stadium, construction of foundation of camera, staircase, control room, fabrication and erection of structural steels, fixing of MS sliding gates, different pipes for sprinkler system in the main ground, excavation of soil, purchasing of LED Reply screen, electric

materials etc. for upgrading the stadium in accordance with ICC Standards, does not constitute Capital expenditure when the benefit derived is of enduring nature?

2. Brief facts are as under:-

Respondent-assessee is the Cricket Club of India. The assessee had filed the return of income for assessment year 2007-2008. While scrutinizing the return, the Assessing Officer noticed that the assessee had incurred expenditure of Rs.3.91 crores (rounded off) in upgradation of the cricket stadium and various other incidental requirements. The Assessing Officer was of the opinion that the expenditure was capital in nature and therefore, disallowed the same. The assessee carried the matter in appeal. CIT (Appeals) allowed part of the claim and restricted the disallowance to Rs.1.85 crores. Both sides carried the matter in appeal before the Tribunal. The Tribunal allowed the assessee's appeal and dismissed the revenue's appeal upon which the present appeal has been filed.

3. Perusal of the materials on record and in particular the impugned judgment of the Tribunal would show that the respondent-assessee had organized several matches of ICC Champion’s Trophy. In order to do so, the assessee had undertaken upgradation of the stadium which included arranging the facility for training and warm up areas, providing passages, walk ways, staircase etc., improving the media facility, installation of electronic score board and other similar facilities. The board had also expended in providing proper security and car parking facilities. It was in this background the Tribunal had held that the expenditure was revenue in nature.

4. Looking to the nature of expenditure, it can be seen that the assessee did not create a new asset or create a source of enduring benefit. Essentially, the expenditure was for upgradation of the existing facilities. No question of law arises. Income Tax appeal is dismissed.

(S.J.KATHAWALLA, J.) **(AKIL KURESHI, J.)**

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