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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ITA 266/2022**

THE PR. COMMISSIONER OF INCOME TAX -3 Appellant

Through: Mr.Ruchir Bhatia, Sr.Standing
Counsel with Ms.Mansie Jain,
Advocate.

versus

DCM SHRIRAM LIMITED Respondent

Through: Mr.V.P.Gupta, Advocate with
Mr.Anunav Kumar, Advocate.

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

ORDER

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17.08.2022

Present Income Tax Appeal has been filed challenging the Order dated 30th October, 2019 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 5222/Del/2016 for the assessment year 2009-10.

Learned Counsel for the Appellant states that the ITAT has erred in allowing Assessee's claim of loss for diminution in value of fertilizers bonds of Rs.7,21,00,000/-.

Per contra, learned counsel for the Respondent, who appears on advance notice, states that the proposed question of law is no longer *res integra*, as in the Respondent/Assessee's own case qua the assessment year 2008-09, the learned predecessor Division Bench has held that the diminishing value of bond is a revenue loss. The relevant portion of the said



order is reproduced hereinbelow:-

“4. The first issue that arises for consideration is whether the Assessee could have claimed loss for the diminution in value of fertilizer bonds against the sale of fertilizers.

5. The assessment order itself shows that in its books, the Assessee categorised the bonds under the head ‘current investment assets’. In that view of the matter, the diminishing value of the bonds not being held as long term investment was in the nature of a revenue loss and could have been claimed as such by the Assessee. The stand of the Revenue that this was only a notional loss and not allowable, is not tenable since bonds held as stock-in-trade can be valued at market rate or cost whichever is less.”

Keeping in view the aforesaid order as well as the fact that the ITAT has followed the aforesaid order passed by the learned predecessor Division Bench, this Court is of the opinion that no substantial question of law arises for consideration in the present appeal. Accordingly, the present appeal is dismissed.

MANMOHAN, J

MANMEET PRITAM SINGH ARORA, J

AUGUST 17, 2022

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