

**THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'C', NEW DELHI**

**Before Sh. C. M. Garg, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 2174/Del/2019 : Asstt. Year: 2010-11**

Grape Marketing P. Ltd., H-22, Khasra No. 38/4, Shahbad Daulatpur, Shiv Vihar, New Delhi-110042	Vs	Income Tax Officer, Ward-10(3), New Delhi-110002
(APPELLANT)		(RESPONDENT)
<b>PAN No. AAACG3149D</b>		

**Assessee by : Sh. Suresh Gupta, CA**

**Revenue by : Sh. Anuj Garg, Sr. DR**

**Date of Hearing: 16.02.2023**

**Date of Pronouncement: 11.04.2023**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by assessee against the order of Id. CIT(A)-22, New Delhi dated 31.01.2019.

2. Heard the arguments of both the parties and perused the material available on record.

3. The assessee company is involved in the import of non-ferrous metals and its local trading. The prices of metal fluctuate daily on the basis of LME prices and the rates on the date of purchase agreement and the rate prevailing at the time of release of goods from the customs authorities are different. In order to avoid the effect of the said prices fluctuation, the assessed has made hedging transaction through M/s SSE Commodities Pvt. Ltd. and may be certain transactions of

speculative nature were also made through this commodity broker of MCX. There was a net loss of Rs. 10,99,398.35 from the transactions made through M/s SSE Commodities Pvt. Ltd. while there was a net profit of Rs. 9,81,900/- (987500 minus brokerage and TOT charges) from the transactions entered through M/s Revive Traders (P) Ltd. and the same has been properly accounted for in the books of accounts.

4. The profit was adjusted against hedging loss of Rs.10,99,398/- resulting into net loss of Rs.1,17,497/- which has been shown as loss from commodity hedging business under the head administrative expenses. In the nutshell, the profit of Rs.9,87,500/- has been accounted for and there is no escapement of income.

5. In view of the above facts, in the very peculiar circumstances of the instant case, the assessee is into hedging transaction which has not been disputed by the Revenue, we hold that no addition is called for.

6. In the result, the appeal of the assessee is allowed.  
Order Pronounced in the Open Court on 11/04/2023.

Sd/-

**(C. M. Garg)**  
**Judicial Member**

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**Dated: 11/04/2023**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

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

**ASSISTANT REGISTRAR**