

IN THE INCOME TAX APPELLATE TRIBUNAL  
"C" Bench, Mumbai  
Before Shri B.R. Baskaran (AM) & Shri Pawan Singh (JM)

I.T.A. No. 1640/Mum/2014  
(Assessment Year 2010-11)

DCIT 8(2) Room No. 209/216A 2 <sup>nd</sup> Floor Aayakar Bhavan M.K. Road Mumbai-400 020.	Vs.	M/s. Priority Jewels Pvt. Ltd. Level-2, Plot No. D6 Street No. 20 Andheri East Mumbai-400 093.
(Appellant)		(Respondent)

PAN No. AAEC4118K

Assessee by	Shri R.K. Sinha
Department by	Ms. Beena Santosh
Date of Hearing	16.11.2016
Date of Pronouncement	16.11.2016

ORDER

Per B.R. Baskaran (AM) :-

The appeal filed by the Revenue is directed against the order dated 20.12.2013 passed by the learned CIT(A)-17, Mumbai and it relates to A.Y. 2010-11. The Revenue is aggrieved by the decision of the learned CIT(A) in deleting the disallowance of ₹ 33,04,768 claimed by the assessee as unrealised foreign exchange loss.

2. The assessee is engaged in the business of manufacture of diamonds studded jewellery and other related products. Sundry debtors account held in foreign currency was revalued by the assessee as on the balance sheet date and the same has resulted in loss ₹ 33,04,768/-. The Assessing Officer disallowed the loss holding that the same is notional in nature and the learned CIT(A) has deleted the loss by following decision rendered by Hon'ble Supreme Court in the case of Woodward Governor India Pvt. Ltd. (2009) 312 ITR 254. The Revenue is aggrieved by the decision of the learned CIT(A).

3. Having heard the rival submissions, we are of the view that the order passed by the learned CIT(A) on the impugned issue does not call for any interference, since the learned CIT(A) has followed the decision rendered by Hon'ble Supreme Court in the case of Woodward Governor India Pvt. Ltd. (supra). Accordingly, we uphold the order passed by the learned CIT(A) on this issue.

4. In the result, appeal filed by the Revenue is dismissed

Order has been pronounced in the Court on 16.11.2016

Sd/-  
(PAWAN SINGH)  
JUDICIAL MEMBER

Sd/-  
(B.R.BASKARAN)  
ACCOUNTANT MEMBER

Mumbai; Dated : 16/11/2016

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.

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar)  
ITAT, Mumbai

PS