

Karnataka High Court in the case of [**BHARTIYA RESERVE BANK NOTE MUDRAN \(P\) LTD**](#) (a WHOLLY owned subsidiary of RBI engaged in printing of currency notes ultimately supplied to RBI): In this interesting case, assessee company ordered for certain machines intended to be used in the process of printing of currency notes, out of which a machine was damaged during transit, from which after reducing insurance compensation, assessee suffered loss of INR 25 lacs (app) which was claimed as business loss. This claim of assessee company was rejected by AO stating the loss to be in capital field, affirmed by CIT-Appeals. However, ITAT allowed assessee's claim which order in turn has been now approved by Kar HC.