

**IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, CHANDIGARH**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBE AND
DR. B.R.R KUMAR, ACCOUNTANTMEMBER**

ITA No. 101/CHD/2018
Assessment Year: 2014-15

The ACIT,
Circle, Shimla

Vs. M/s Beas Valley Power Corporation
Ltd., A-97, Main Road, Sector 1,
New Shimla-171009

PAN No. AABCH4161P

(Appellant)

(Respondent)

Appellant by : Sh. Manjit Singh, Sr.DR
Respondent by : Sh. Vishal Mohan, Advocate

Date of Hearing : 02.05.2018
Date of Pronouncement : 01.08.2018

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order dated 5.12.2017 of the Commissioner of Income Tax(A), Shimla [hereinafter referred to as 'CIT(A)'].

2. The short issue involved in this appeal is as to whether the income earned by the assessee on short term deposits can be set off against the interest payable by the assessee on PFC loan during Pre-operative stage.

3. At the outset, Ld. Counsel for the assessee has submitted that the issue is squarely covered in favour of the assessee by the decision of the Tribunal in the earlier years in the own case of the

assessee vide order dated 8.6.2017 passed in ITA Nos.1274 & 1277/Chd/2016 relating to the assessment year 2007-08, 2008-09 and 2012-13 & 2013-14. The Ld. counsel has further invited our attention to the impugned order of the Ld. CIT(A) and stated that in fact, the Ld. CIT(A) while allowing the appeal of the assessee has followed the above order of the Tribunal, wherein, the Tribunal has held that the earning of the interest from short term deposits was directly connected with the work of construction of the project employed by the assessee and the same was required to be set off against the pre-operative expenses.

4. The Ld. DR has also fairly admitted that the issue is squarely covered in favour of the assessee in the own case of the assessee by the decision of the Tribunal in earlier assessment years.

In view of this, we do not find any merit in the appeal of the Revenue and the same is accordingly dismissed.

Order pronounced in the Open Court on 01.08.2018

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

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

Dated : 01.08.2018

Rkk

Copy to:

- *The Appellant*
- *The Respondent*
- *The CIT*
- *The CIT(A)*
- *The DR*