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

\+ ITA 451/2018

PRINCIPAL COMMISSIONER OF INCOME TAX- 2,

..... Appellant

Through Mr.Vibhooti Malhotra, Jr.Standing Counsel and Mr.Rahul Chaudhary, Sr. Standing Counsel, Advocates.

versus

M/S. BOKARO POWER SUPPLY CO. LTD.

..... Respondent

Through Nemo.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

<u>O R D E R</u>

% **13.04.2018**

The question of law urged in this appeal is as to the taxability of the amount earned by the assessee towards interest on deployment of margin money and mobilization advance. The assessee had advanced amounts to its service providers/contractors. The advanced money interest accrued, became the subject matter of controversy. The Assessing Officer (AO) added this interest earned as income from other sources, overruling the assessee's contention that the amount needed to be capitalized, as such funds were inextricably intertwined with the capital expenditure which it had to incur in setting up a new plant. The CIT(A) deleted the disallowance; the

ITAT confirmed that order by relying upon the judgment of this court in ***NTPC Power Company Ltd. Vs. Commissioner of Income Tax*** (ITA 1238/2011 decided on 17.7.2012).

The Court is of the opinion that as a consequence no question of law arises.

The appeal is dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

APRIL 13, 2018
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