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* IN THE HIGH COURT OF DELHI AT NEW DELHI

\+ ITA 212/2024

PR. COMMISSIONER OF INCOME TAX -7

..... Appellant

Through: Mr. Ruchir Bhatia, SSC.

versus

SUGAM VANIJYA HOLDING PVT. LTD. (NOW KNOWN AS VR DAKSHIN PVT. LTD.)

..... Respondent

Through: Mr. Harpreet Ajmani, Mr. Aowiteya Grover, Advs.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% 03.05.2024

1. Mr. Bhatia, learned counsel has drawn our attention to the order dated 10 February 2020 passed in ITA 82/2020 and which appears to raise identical questions inter partes. We, consequently, tag the present matter with the aforesaid appeal.

2. The appeal shall stand admitted on the following question of law:-

A. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal ["**ITAT**"] is erred in deleting the addition made by the Assessing Officer on account of income from other sources amounting to INR 64,72,19,392/- without appreciating that during the stage of pre-commencement of business, interest derived by the assessee from the borrowed Funds which were invested in fixed deposits with banks would be chargeable to tax under the head 'income from other source' and not to reduce the capital work in progress?

B. Whether on the facts and in the circumstances of the case, the ITAT has erred by not relying on the Judgment in the case of **MIS Tuticorin Alkali Chemicals & Fertilizers Ltd. Vs CIT** [227 ITR 172 (SC)] wherein the Apex Court has held that interest earned during pre-commencement period by placing surplus funds in the bank account is taxable as income under the head income from other sources?”

3. List again on 20.08.2024.

YASHWANT VARMA, J.

PURUSHAINDRA KUMAR KAURAV, J.

MAY 03, 2024/neha