

## **Tehri Dam Case**

In case of Tehri Dam, **Utt High Court** in context of taxability of receipts from employees/oustees during ongoing construction of Mega Dam Project, it has been interalia concluded that:

"In view of the principle of law laid down by the apex court in Bokaro Steel Ltd., we do not find any error of law committed by the I.T.A.T. in allowing the deductions to the extent of 2.5% towards administrative costs on the interest income on short term deposits, and in further holding that the interest and rent received from its employees and oustees in Dam area had a nature of capital receipt, as the construction process was still on and the respondent / assessee had yet not started the business activity. Questions of law stand answered accordingly."

Further reference in aforesaid connection may be made to following:

- a) DHC ruling in India Oil Panipat [(2008) 306 ITR 102]
- b) DHC ruling in Pench Power [I.T.A. No. 1156/2007 & 1157/2007 & LexDoc id: 358063]
- c) Raj HC in Neha Proteins