

IT : Where assessee, engaged in design, development and installation of simulators for civil and defence sectors, entered into contracts with Ministry of Defence for building such simulators and pointed out that as completion of construction contract will be falling different financial year and it will be difficult to assign corresponding revenue for construction already completed, AS-7 was applied with a view to give correct state of financials and, therefore, there was a change in accounting policy from milestone billing basis to percentage completion method (AS-7) which resulted in business loss, since whenever there is construction of an asset and a contract is negotiated for that on standalone basis or is closely inter-related or inter-dependent in terms of design technology and function, then Accounting Standard 7 shall be applicable, change in accounting policy by assessee from milestone billing to percentage completion method is a plausible view and there is no any fault in shifting of accounting policy by assessee



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IN THE ITAT BENGALURU BENCH 'B'

CAE India (P.) Ltd.

v.

Commissioner of Income-tax, Kolkata

**A.K. GARODIA, ACCOUNTANT MEMBER
AND LALIET KUMAR, JUDICIAL MEMBER
IT (TP) APPEAL NO. 1143 (KOL.) OF 2013
[ASSESSMENT YEAR 2008-09]**

MAY 17, 2019

K.R. Vasudevan, Adv. for the Appellant. Rajesh Kumar Jha, CIT(DR) for the Respondent.

ORDER