

**(2010) 08 P&H CK 0400**

**High Court Of Punjab And Haryana At Chandigarh**

**Case No:** None

The Commissioner of Income  
Tax

APPELLANT

Vs

Sultanpur Lodhi Primary Co-op.  
Agri. Dev. Bank Ltd.

RESPONDENT

**Date of Decision:** Aug. 4, 2010

**Acts Referred:**

- Income Tax Act, 1961 - Section 260A, 80P

**Hon'ble Judges:** Ajay Kumar Mittal, J; Adarsh Kumar Goel, J

**Bench:** Division Bench

**Final Decision:** Dismissed

**Judgement**

Adarsh Kumar Goel, J.

This appeal has been preferred by the revenue u/s 260A of the Income Tax Act, 1961 against the order dated 25.9.2009 in I.T.A. No. 311(Asr)/2009 passed by the Income Tax Appellate Tribunal, Amritsar, proposing to raise following substantial question of law:

- Whether the Hon'ble ITAT is right in confirming the order of Ld. CIT(A) on the issue of disallowance of interest made by the A.O. at Rs. 8,69,190/- on deposits/investments with SADB when the assessee paid interest to SADB at Rs. 84,79,910/- without charging the same on deposits/investments with SADB.
- Whether the Hon'ble ITAT is right in dismissing the appeal of the revenue on the issue of disallowance of deduction u/s 80P on notional interest calculated by the A.O. on investment of surplus reserves where such investment is not governed by any statutory provisions for carrying on the business of banking.
- Whether the Hon'ble ITAT was right in dismissing the appeal of the revenue on the issue of disallowance of deduction u/s 80P on the said notional interest calculated by A.O. vis-à-vis amounts/investments other than statutory reserves

when the Hon"ble Supreme Court has set aside the similar issue to the file of CIT(A) in the case of [Mehsana District Central Co-operative Bank Ltd. Vs. Income Tax Officer,.](#)

2. Learned Counsel for the Revenue fairly states that the matter is covered against the Revenue by judgment of this Court dated 2.2.2010 in I.T.A. No. 594 of 2009 CIT v. Shivalik Kshetriya Gramin Bank.

3. In view of above, this appeal is dismissed.