
**The Commissioner of Income Tax Vs Sultanpur Lodhi Primary Co-op.
Agri. Dev. Bank Ltd.**

None

Court: High Court Of Punjab And Haryana At Chandigarh

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:

(i) 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.

(ii) 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.

(iii) 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.