IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 584 of 2006

Date of decision: 10.09.2007

Commissioner of Income Tax Chandigarh-II .....Appellant

Versus

M/s Punjab State Co-op. Milk Producers Federation Ltd. Chandigarh .....Respondent

Coram: Hon'ble Mr. Justice M.M.Kumar
Hon'ble Mr. Justice Ajay Kumar Mittal

Present: Mr. S.K.Garg Narwana, Advocate,
for the revenue.

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M.M.Kumar, J.

The revenue has approached this Court by filing the instant appeal under Section 260-A of the Income Tax Act, 1961 challenging order dated 27.04.2006 of the Income Tax Appellate Tribunal, Chandigarh Bench-A in ITA No. 1608/Chandi/2005 claiming that following substantial question of law would arise for the determination of this Court:-

> " Whether on the facts and circumstances of the case the interest income earned by the assessee on the 'working capital' advanced to another co-operative society is eligible for deduction u/s 80P(2)(d) of the I.T. Act, 1961."

We have perused the judgment of the Tribunal and find that the question raised has been rightly answered against the revenue. We are further of the view that the Tribunal has rightly relied upon the judgment of Hon'ble the Supreme Court in the case of **Commissioner of Income-Tax, Lucknow vs. U.P. Co-operative Federation Ltd. (1989) 176 I.T.R. 435 SC** and a Division Bench judgment of this Court in the case of **Commissioner of Income-Tax vs. Haryana Co-operative Sugar Mills Ltd. (1989) 180 I.T.R. 631 (P&H).**

No case is made out for referring the question as the same has been answered.

Dismissed.

(M.M.KUMAR)
JUDGE

(AJAY KUMAR MITTAL)
JUDGE

September 10, 2007
pj