IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

220 **ITA-405-2007 (O&M)**
Date of decision:- 19.01.2023

M/s Parkash Indus. Ltd.
.... Appellant

Vs

Commissioner of Income Tax, Hisar and another
...Respondents

CORAM: HON'BLE MS. JUSTICE RITU BAHRI
HON'BLE MRS. JUSTICE MANISHA BATRA

Present: Mr. Anand Chhiber, Senior Advocate with
Ms. Khyati Avnish, Advocate for the appellant.

Ms. Gauri Neo Rampal, Senior standing
counsel for the respondents.

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Ritu Bahri, J. (Oral)

Learned counsel for the respondents has referred to the judgment of Hon'ble the Supreme Court, ***Conventional Fastners Vs. Commissioner of Income Tax, Dehradun,*** ITA No.24 of 2015, decided on 15.11.2017, wherein it is held that the benefit of deductions under Section 80-IC of the Income Tax Act cannot be given on the interest income earned from FD kept as security as this income is not part of business of manufacturing.

Learned counsel for the appellant does not dispute the above said judgment.

No interference is required in the order dated 16.01.2007 passed by the Income Tax Appellate Tribunal, Delhi Bench 'I' New Delhi, wherein it has been held that derivation of interest or profit on deposits cannot be said to be flowing directly from industrial undertaking, therefore, the deduction under Section 80HH could not be allowed. As per Hon'ble the Supreme Court's judgment in the case of ***Pandian Chemicals Ltd. Vs. CIT*** (262 ITR 278) (S.C.) wherein the assessee had derived interest or profits on deposits with the electricity Board. It was held by the Hon'ble the Supreme Court that the same cannot be said to be flowing directly from the industrial undertaking, therefore, deduction under Section 80 HH could not be allowed.

In view of the above, present appeal is hereby dismissed.

(RITU BAHRI)
JUDGE

(MANISHA BATRA)
JUDGE

19.01.2023
pooja saini

Whether speaking/reasoned : Yes/No
Whether reportable **: Yes/No**