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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 154/2006

COMMISSIONER OF INCOME TAX

.....Appellant

Through: Mr. Shlok Chandra, Sr. Std. Counsel with Ms. Naincy Jain, Ms. Madhavi Shukla, Jr. SCs and Mr. Udit Dad, Adv.

versus

M/S PNB CAPITAL SERVICES LTD.

.....Respondent

Through: None.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE AMIT MAHAJAN

<u>O R D E R</u>

% **08.05.2026**

1. The present appeal was admitted on 06.02.2006 on the following substantial question of law:-

> *"Whether the Income Tax Appellate Tribunal was correct in law in holding that the interest on Government Securities and Public Sector Undertakings Bonds is not exigible to tax under the Interest Tax Act, 1974 as amended by the Amending Act, 1991?"*

2. Mr. Shlok Chandra, learned Senior Standing Counsel for the appellant at the outset fairly submits that this issue has been decided by Hon'ble the Supreme Court in ***Commissioner of Income Tax v. Sahara***

India Savings and Investments Corporation Limited 321 ITR 371 (SC) in which the Apex Court held that Government Securities and PSU Bonds could not be exigible to tax under the Interest Tax Act, 1974 as amended.

3. Since the issue has attained finality, the appeal is dismissed in terms of the judgment aforesaid.

DINESH MEHTA, J

AMIT MAHAJAN, J

MAY 8, 2026/*dd*