Principal Commissioner of Income Tax and another v. M/s Syndicate Bank

Income Tax Appeal No. 6 of 2025

2026:KHC:6909-DB | ITA No. 6 of 2025 | 2026-02-05

Section 115JB and banking companies for AY 2002–03: Revenue appeal dismissed following ING Vysya Bank

Income-tax Act, 1961: sections 115JB, 260A

High Court of Karnataka | 2-judge bench (Division Bench, Bengaluru) | S. G. Pandit, J. | K. V. Aravind, J.

Assessment years: 2002-03

01 FACTS OF THE CASE

Revenue challenged the Panaji Tribunal's order dated 9 October 2023 in ITA 337/PAN/2016 for AY 2002–03. Its 334-day filing delay was condoned. The Court's narrative states that the bank was assessed on book profits under section 115JB, the CIT(A) upheld that application, and the Tribunal granted relief by following the High Court's judgment in the assessee's own case.

Source: Caption pp.1–2; own paras.2–5, pp.2–4

02 DISCUSSION BY THE HON'BLE COURT

The assessee relied on CIT, Bangalore v. ING Vysya Bank Ltd [2020] 422 ITR 116 (Karnataka), dated 16 January 2020. Revenue said it had not accepted that judgment and an appeal was pending before the Supreme Court. The Court nonetheless treated the section 115JB issue as concluded against Revenue by ING Vysya. It did not undertake a fresh Banking Regulation Act, Schedule VI or amendment analysis.

Source: Own paras.6–8, pp.4–5

03 JUDICIAL DECISION

Following ING Vysya, the Court found no substantial question of law for consideration and dismissed Revenue's appeal. This followed condonation of delay; dismissal was not for late filing.

Source: Own paras.3,8–9, pp.3,5

04 OUTCOME / IN WHOSE FAVOUR

Assessee succeeds: the Tribunal's relief from section 115JB for AY 2002–03 remains undisturbed. The order does not decide MAT applicability for every later assessment year.

Source: Own paras.2,5,8–9, pp.2,4–5

05 EXPERT COMMENTS

Distinguish the procedural and substantive results — The 334-day delay was condoned before the Court addressed the covering precedent. Describe this as a precedent-based rejection of Revenue's MAT challenge, not a limitation dismissal. That distinction matters when assessing whether the ruling supplies support on the tax issue.

Keep the assessment year and statutory version central — The verified appeal concerns AY 2002–03. Its reliance on ING Vysya does not itself supply a detailed explanation of the 2012 amendment or resolve later-year computation. For another year, inspect the applicable statutory text and the full precedent before extending the result; avoid a blanket banking-company exemption based on this short order alone.

Treat reported pendency as a status needing verification — Revenue's statement that the ING Vysya appeal was pending did not prevent application of that authority here. This order is not proof of the subsequent Supreme Court result or the absence of any intervening order. Preserve the distinction between what counsel reported on 5 February 2026 and independently verified current treatment.

Use the Court's narrative without rewriting the quoted ground — The quoted Revenue question describes the Tribunal as confirming the CIT(A), whereas paragraph 5 says the CIT(A) upheld MAT and the Tribunal granted relief. Attribute the procedural account to paragraph 5 and retain the discrepancy in the evidence record. Do not resolve it by inventing a different assessment history.

Source: Editorial analysis; own paras.2–9, PDF pp.2–5

SOURCE & VERIFICATION

High Court of Karnataka official judgment PDF - AKHB Repository (20260205_KAHC010003202025.pdf)

5-page official High Court of Karnataka judgment PDF (20260205_KAHC010003202025.pdf, 88,018 bytes).

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections 115JB and 260A. The judgment concerns AY 2002–03; it does not reproduce the 2012 amendment or independently analyse later-year applicability.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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