HC-KAR

NC: 2026:KHC:7441-DB
ITA No. 102 of 2025

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE K. V. ARAVIND

INCOME TAX APPEAL No. 102 OF 2025

BETWEEN:

1. THE JOINT COMMISSIONER OF
INCOME TAX (LTU)
BANGALORE

...APPELLANT

(BY SRI SUSHAL TIWARI, STANDING COUNSEL)

AND:

1. BANK OF BARODA,
(ERSTWHILE VIJAYA BANK),
HEAD OFFICE,
CENTRAL ACCOUNTS DEPT,
41/2, M.G. ROAD,
BENGALURU - 560001.

...RESPONDENT

(BY SMT. TANMAYEE RAJKUMAR, ADVOCATE)

Digitally signed by VINUTHA B S
Location: High Court of Karnataka

THIS ITA FILED UNDER SECTION 260-A OF THE INCOME TAX ACT 1961, PRAYING TO SET ASIDE THE APPELLATE ORDER DATED 11.03.2022 PASSED BY THE INCOME TAX APPELLATE TRIBUNAL, C BENCH, BANGALORE IN THE RESPONDENT ASSESSEES CASE IN ITA No.1834/BANG/2018 FOR ASSESSMENT YEAR 2014-15 (ANNEXURE A).

THIS APPEAL, COMING ON FOR ORDERS THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE K. V. ARAVIND

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE K.V. ARAVIND)

This appeal is filed by the Revenue impugning the order passed in ITA No.1834/Bang/2018 for the Assessment Year 2014–15.

2. The appeal raises the following substantial questions of law.

> *(i) Whether, on the facts and circumstances of the case and in law, the Hon'ble Tribunal is justified in upholding the order of Ld. CIT(A) in allowing the claim of depreciation on HTM Securities by relying on the decision of an earlier year without appreciating that the issue has not reached finality as the matter is pending before the Hon'ble Supreme Court?*
>
> *(ii) Whether, on the facts and in the circumstances of the case and in law, the Hon'ble Tribunal is justified in upholding the order of Ld. CIT(A) in allowing the depreciation on HTM Securities when the HTM Securities is an asset not being affected by market appreciation or depreciation?*
>
> *(iii) Whether, on the facts and in the circumstances of the case and in law, the Hon'ble Tribunal is justified in allowing depreciation on HTM*

Securities when there is no market depreciation and it cannot be considered as revenue loss?"

3. At the outset, Smt. Tanmayee Rajkumar, learned counsel appearing for the respondent-assessee, submits that the Income Tax Appellate Tribunal (for short, "the Tribunal") has answered the aforesaid questions by following the judgment of this Court in ***ING Vysya Bank Ltd v. CIT (2012) 208 Taxmann 511***. It is further submitted that the questions of law raised in the appeal stand covered by the said judgment of this Court.

4. Sri Sushal Tiwari, learned Standing Counsel appearing for the appellant–Revenue, submits that the issue is pending consideration before the Hon'ble Supreme Court. However, the learned counsel is not in a position to dispute the submissions advanced by the learned counsel for the respondent.

5. Having considered the submissions of the learned counsel for the parties and upon perusal of the appeal papers, it is evident that the substantial questions of law raised in this appeal are already answered by this Court in ***Karnataka Bank***

***Ltd. v. Assistant Commissioner of Income-tax, Circle 2(1)*, reported in [2013] 34 taxmann.com 150 (Karnataka)**, and in ***Commissioner of Income Tax and Another v. Vijaya Bank* in ITA No.687/2008 dated 11.03.2013.**

6. As the substantial questions of law raised in the appeal are answered in the aforesaid judgments, no substantial question of law arises for consideration by this Court. Accordingly, the appeal is dismissed.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(K. V. ARAVIND)
JUDGE

VBS
List No.: 1 Sl No.: 16