

OD – 13

IN THE HIGH COURT AT CALCUTTA
Special Jurisdiction [Income Tax]

ORIGINAL SIDE

ITAT/29/2026
IA NO: GA/1/2026, GA/2/2026
PRINCIPAL COMMISSIONER OF INCOME TAX 2 KOLKATA
VS
BANDHAN BANK LIMITED, KOLKATA

BEFORE :
THE HON'BLE JUSTICE RAJARSHI BHARADWAJ
And
THE HON'BLE JUSTICE UDAY KUMAR
Date : 20th April, 2026

Appearance :
Mr. Prabir Kumar Bhowmik, Adv.
Mr. Sujit Mitra, Adv.
..for appellant.

Mr. Avra Mazumder, Adv. [VC]
Ms. Urmi Sengupta, Adv.
...for respondent.

The Court : There is a delay of 83 days in filing the appeal. We are satisfied with the explanation offered for not preferring the appeal within time. Therefore, the delay is condoned.

The application being GA/1/2026 is allowed.

Heard the learned counsels for the respective parties.

The appeal is admitted on the following substantial questions of law :

“(a) Whether on the facts and in circumstances of the case and in law, the Learned Income Tax Appellate Tribunal, Kolkata has erred in sustaining the order of the Commissioner of Income Tax (Appeal) and thereby treating Employees Stock Option

Cost (ESOP) as revenue expenditure by giving an option to the employees to take shares at a discounted premium?

(b) Whether on the facts and in circumstances of the case and in law, the Learned Income Tax Appellate Tribunal, Kolkata has erred in sustaining the order of the CIT (A) and thereby treating ESOP as revenue expenditure when ESOP resulted in the short receipt of share premium which is capital in nature and as such, short receipt of share premium would only amount to notional capital loss?

(c) Whether the Income Tax Appellate Tribunal, Kolkata erred in law in deleting the addition of Rs.11,42,62,243/- made by the Assessing Officer by way of disallowance of the expenses debited as cost of employees share option (ESOP) in profit and loss account?"

The appellant is directed to file requisite number of informal paper books prepared out of court enclosing therein all relevant papers and documents used before the learned trial court within 10 (ten) weeks from date by serving copies thereof to the learned Advocate for the respondent.

Settlement of index and all other formalities are dispensed with.

Since the respondent is represented, service of notice of appeal stands dispensed with.

Let this matter appear in the Monthly List of July 2026.

IA NO: GA/2/2026 stands disposed of.

(RAJARSHI BHARADWAJ, J.)

(UDAY KUMAR, J.)