

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

CIVIL APPEAL NO. 3952 OF 2001

Commissioner of Income Tax, Karnataka

Appellant (s)

Versus

Karnataka State Coop. Agricultural &  
Rural Development Bank Ltd.

Respondent (s)

(With office report)

Date: 27/04/2006 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ASHOK BHAN  
HON'BLE MR. JUSTICE LOKESHWAR SINGH PANTA

For Appellant(s)

Mr. Mohan Parasaran, ASG  
Mr. Mohit Choudhary, Adv.  
Mr. B.V. Balram Das, Adv.

For Respondent(s) Ms. Asha Gopalan Nair, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

The appeal is dismissed. Parties to bear their own costs.

(J.S. Rawat)  
AR-cum-PS

(Kanwal Singh)  
Court Master

[Singed order is placed on the record.]  
IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 3952 OF 2001

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O R D E R

The Income Tax Appellate Tribunal, Bangalore Bench [for short "the Tribunal"] referred the following question of law for the opinion of the High Court in respect of the Assessment Year 1988-89 under Section 256(1) of the Income Tax Act, 1961 (for short "the Act"):

"Whether on the facts and circumstances of the case, and in the light of the Supreme Court decision reported in 218 ITR 438, the Tribunal is right in law, in allowing the Special deduction u/s 80P(2) of the Income Tax Act to the assessee?"

The High Court relying upon the decision in Madhya Pradesh Co-operative Bank Ltd. v. Additional Commissioner of Income-Tax [218 ITR 438 (S.C.)] answered the question in the affirmative and held that the assessee would be entitled to the special deduction under Section 80P(2)(a)(i) of the Act. The said decision has been affirmed by a three-Judge Bench of this Court in CIT, Karnataka III v. Karnataka State Cooperative Apex Bank [2001 (7) SCC 654] which has been followed in CIT, Jalandhar v. Nawanshahar Central Coop. Bank Ltd. [C.A. arising out of SLP(C) No. 3826/04 decided on 8th April, 2005] and The Rajasthan State Cooperative Bank Ltd. v. Commissioner of Income Tax [C.A. Nos. 6894-96/2002 decided on 6th of January, 2006].

In view of the aforesaid decisions, the appeal has no merit and the same is dismissed. The parties shall bear their own costs.

.J.

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(ASHOK BHAN)

New Delhi;  
.J.  
April 27, 2006.

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(LOKESHWAR SINGH PANTA)