IN THE HIGH COURT OF JUDICATURE AT BOMBAY

BENCH AT AURANGABAD

TAX APPEAL NO.8 OF 2005

The Commissioner of Income Tax-II,
Kendriya Rajaswa Bhavan,
Gadkari Chowk, Old Agra Road,
Nashik-422 002.

...APPELLANT

VERSUS

Jalgaon District Central Co-operative
Bank Ltd., Ring Road,
Jalgaon-425 001.

...RESPONDENTS

...

Mr. Alok Sharma, Standing Counsel for Appellant.
Mr.P.S. Gaikwad Advocate h/f. Mr. A.G. Talhar Advocate for Respondent.

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CORAM: S.V. GANGAPURWALA AND A.I.S. CHEEMA, JJ.

DATE : 23RD MARCH, 2015

ORDER :

1. Mr. Sharma, learned counsel for the Appellant submits that income on account of

commission from M.S.E.B. earned by the Bank for collection of M.S.E.B. Bills cannot be exempted under Section 80P(2)(a)(i) of the Income Tax Act. According to the learned counsel the same would be taxable income and the authorities have not considered the said aspect in proper perspectives.

2. Learned counsel for Respondent submits that the issue involved in the present Appeal is no longer res integra in view of the Judgment of the Apex Court in the case of **Commissioner of Income Tax, Nasik vs. Ahmednagar Dist. Central Co-op. Bank Ltd., 2004(1) Mh.L.J. 853.**

3. We have considered the Judgment of this Court in the case of **Commissioner of Income Tax, Nashik**, referred supra. In the said Judgment, it has been specifically held that the income by way of commission from M.S.E.B. would not be taxable and the same has close proximity to banking business and as such would attract benefit of

exemption under Section 80P(2)(a)(i) of the Act.

4. In light of the above, Appeal is dismissed. No costs.

[A.I.S.CHEEMA,J.] **[S.V.GANGAPURWALA,J.]**

asb/MAR15