M/s. ABS Fujitsu General Private Limited v. Deputy Commissioner of Income-tax, Circle 1(1)(1), Bangalore

ITA No. 275 of 2024

2025:KHC:2074-DB | ITA No. 275 of 2024 (Karnataka High Court, decided 20 January 2025) | 2025-01-20

Delay in first appeal condoned; matter expressly remitted to ITAT for consideration on merits, with all contentions open.

Income-tax Act, 1961: sections 37 (in proposed question) and 260A

High Court of Karnataka | 2-judge bench (Division Bench) | Hon'ble Mr. Justice Krishna S. Dixit | Hon'ble Mr. Justice G. Basavaraja

Assessment years: 2021-22

01 FACTS OF THE CASE

ABS Fujitsu challenged the ITAT order dated 4 July 2024 in ITA 845/Bang/2024 for AY 2021-22, concerning refusal to condone delay before CIT(A). Three questions were proposed, including an allegation that contingent liability had been disallowed although no deduction was claimed. The Court admitted the first question on condonation; both sides agreed it could dispose of the appeal on that basis.

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02 DISCUSSION BY THE HON'BLE COURT

The Court accepted that appeals of this kind ordinarily warrant some leniency, noting comparable treatment of Revenue appeals. Condonation does not add to the merits, while dismissal solely for delay prevents merits consideration. In the peculiar facts, it answered the condonation question for the assessee.

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03 JUDICIAL DECISION

The delay in filing the first appeal was condoned. The Court expressly remitted the matter to ITAT for consideration of the appeal on merits and disposed of the High Court appeal with all contentions open.

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04 OUTCOME / IN WHOSE FAVOUR

The assessee regained merits consideration through the stated ITAT remand. The Court did not allow a contingent-liability deduction or decide whether any such deduction had been claimed.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Access to merits is the relief actually granted — The Court separated condonation from success on the assessment dispute: excusing delay adds no merits to the taxpayer's case. Its lenient approach restores consideration rather than establishing a deduction or requiring an automatic favourable outcome.

The remand forum must follow the operative text — Although the delay concerned the first appeal before CIT(A), the judgment expressly sends the matter to ITAT. That distinction matters for implementation. A summary cannot substitute a direct CIT(A) remand merely because that might seem procedurally expected.

Do not turn unreported reasons into a sufficient-cause test — The judgment does not state the length of the delay or attribute it to illness or changing advisers. Its stated reasoning is leniency in appeals of this kind and the peculiar facts, with all contentions open. Another applicant still needs an evidence-based explanation; this source does not create a universal entitlement to condonation.

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SOURCE & VERIFICATION

High Court of Karnataka official judgment PDF — AKHB Repository (20250120_KAHC010722332024.pdf)

5-page official High Court of Karnataka order/judgment PDF (20250120_KAHC010722332024.pdf, 69,867 bytes).

All 5 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All 5 physical pages of 20250120_KAHC010722332024.pdf (69,867 bytes, SHA-256: a1b86d6b4d76a7b864542231a3f5f642602dce6d5fca09497e097dc2b77e9faa) extracted and verified page-by-page. Google Drive File ID in 1_Substantive_Precedents: 1rmSLuOKb-mQFeXXADbwoYtN1Ht5MNTao.

STATUTORY SCOPE

The source does not identify section 249(3) or narrate medical or adviser-change reasons. It decides the first proposed question on condonation; section 37 appears in a separate proposed question not decided.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been 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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