State Bank of India, Commercial Branch, Bangalore v. Deputy Commissioner of Income-tax, TDS Circle 3(1), Bangalore

ITA No. 67 of 2025

2025:KHC:35546-DB | 2025-09-09

Foreign-travel LTC reimbursement: TDS default and interest sustained following SBI precedent.

Income-tax Act,1961: sections 10(5), 192, 201(1), 201(1A), 260A

High Court of Karnataka | 2-judge bench (Division Bench) | Chief Justice Vibhu Bakhru | Justice C.M. Joshi

Assessment years: 2016-17

01 FACTS OF THE CASE

SBI Commercial Branch, Bangalore challenged the 1 July 2024 common ITAT order insofar as it concerned ITA 983/Bang/2024 for AY 2016-17. Tax and interest under sections 201(1) and 201(1A) arose from failure to deduct TDS on foreign-travel LTC reimbursement. The High Court condoned 59 days' filing delay.

Source: PDF pp.2–3, paras 1–3

02 DISCUSSION BY THE HON'BLE COURT

SBI claimed exemption under section 10(5) and no deduction duty under section 192. The Tribunal had applied its earlier SBI decision. The High Court followed its same-day ITA 66/2025 dismissal, which applied SBI v. ACIT, (2023)1 SCC 162.

Source: PDF pp.3–4, paras 4–7

03 JUDICIAL DECISION

No substantial question of law arose. ITA 67/2025 was dismissed.

Source: PDF p.4, para 8

04 OUTCOME / IN WHOSE FAVOUR

Revenue successful: the TDS-default and interest result remained undisturbed; condonation did not amount to substantive relief.

Source: PDF pp.2–4

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Payroll treatment turns on the exempt character of the travel: The dispute was foreign travel reimbursed under an LTC label. The exemption claim failed and the employer's section 192 deduction obligation followed. For payroll application, the actual itinerary matters; describing a reimbursement as LTC does not by itself establish section 10(5) exemption. (PDF p.3, paras 3–5)

Keep the sustained liabilities distinct: The source identifies tax under section 201(1) and interest under section 201(1A). It does not determine a separate penalty or quantify employee-wise amounts. The note therefore should not convert the employer's withholding default into an unrecorded finding of misconduct or a new penalty direction. (PDF p.3, para 3)

Connected reasoning does not erase this branch's appeal: ITA 67/2025 addresses Tribunal appeal 983/Bang/2024, notwithstanding the common order covering 983,984 and 985. Its 59-day delay was condoned before dismissal on the covered issue. Neither the other branches' dockets nor their delay periods should be substituted, and the short order does not reopen any broader calculation dispute. (PDF pp.2–4)

Source: PDF p.3, paras3–5

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 4-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have 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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