State Bank of India, RBO Udupi v. Income Tax Officer, TDS Ward, Mangalore

ITA No. 78 of 2025

2025:KHC:35544-DB | ITA No. 78 of 2025 (Karnataka High Court, decided 9 September 2025) | 2025-09-09

Foreign-travel LTC reimbursements: SBI appeal against TDS tax and interest dismissed following its companion appeal and Supreme Court ruling.

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

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

Assessment years: 2016-17

01 FACTS OF THE CASE

SBI's Udupi Regional Business Office challenged the ITAT order dated 1 July 2024, limited to ITA 985/Bang/2024 for AY 2016-17. Tax and interest under sections 201(1) and 201(1A) arose from failure to deduct TDS on employees' foreign-travel LTC reimbursements. SBI claimed section 10(5) exemption and consequently no section 192 deduction obligation. The High Court first condoned 63 days' appeal delay.

Source: PDF p.2

02 DISCUSSION BY THE HON'BLE COURT

The ITAT followed the bank's case in ITA 317/Bang/2024. The High Court recorded that the appeal from that order, ITA 66/2025, had been dismissed separately that day following State Bank of India v. ACIT, (2023)1 SCC 162. The present issues were admittedly covered and the appeal had to meet the same result.

Source: PDF p.3

03 JUDICIAL DECISION

No substantial question of law arose; the bank's appeal was dismissed after condonation of delay.

Source: PDF p.2

04 OUTCOME / IN WHOSE FAVOUR

The bank obtained consideration despite delay but no relief on TDS liability. The challenged tax and interest for AY 2016-17 remained undisturbed.

Source: PDF p.3

05 EXPERT COMMENTS

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

Exemption and withholding were linked — SBI's argument depended on treating the reimbursement as exempt under section 10(5). The recorded overseas travel defeated that position through the governing precedent. For a comparable payroll dispute, the actual itinerary and reimbursement record matter; an employer's LTC label alone cannot establish the exemption.

The companion case supplies the fuller reasoning — This judgment resolves a covered issue by reference to ITA 66/2025 and the Supreme Court ruling. It does not independently analyse every possible travel arrangement, valuation question or withholding defence. Detailed reliance requires the incorporated decisions as well as this bank-specific result.

Keep the appeal scope distinct from the common ITAT order — The ITAT common order concerned ITA 983,984 and 985/Bang/2024, but this High Court appeal concerns 985 alone. The 63-day delay was condoned; that procedural success did not affect the adverse merits result. Neither the other appeals nor their liabilities should be silently merged into this record.

Source: PDF p.2

SOURCE & VERIFICATION

High Court of Karnataka official judgment PDF — AKHB Repository (20250909_KAHC010218622025.pdf)

4-page official High Court of Karnataka order/judgment PDF (20250909_KAHC010218622025.pdf, 62,315 bytes).

All 4 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All 4 physical pages of 20250909_KAHC010218622025.pdf (62,315 bytes, SHA-256: 8ba10ca46801f0fa489977c1a03685ed10a99124b7d992dec8c1defb1ae15b79) extracted and verified page-by-page. Google Drive File ID in 1_Substantive_Precedents: 1r1-biemHJpykgquqfLs0MRQf8phyW5NS.

STATUTORY SCOPE

The judgment applies the foreign-travel LTC issue through the same-day ITA 66/2025 decision and State Bank of India v. ACIT, (2023)1 SCC 162. It does not separately reproduce the full Supreme Court reasoning.

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.