Pr. Commissioner of Income Tax, Bangalore & Assistant Commissioner of Income Tax, LTU v. M/s. Yokogawa India Ltd.

ITA No. 431 of 2022

ITA No. 431 of 2022 (Karnataka High Court, decided 26 September 2025) | 2025-09-26

Belated DRP objections did not extend the AO's assessment deadline; actual postal service controlled.

Income-tax Act,1961: sections 92CA, 143(3), 144C, 260A

High Court of Karnataka | 2-judge bench (Division Bench) | Hon'ble Mr. Justice S.G. Pandit | Hon'ble Mr. Justice K.V. Aravind

Assessment years: 2012-13

01 FACTS OF THE CASE

Revenue appealed the Tribunal order of 11 March 2021 in IT(TP)A 692/Bang/2016. The draft assessment dated 10 March 2016 reached Yokogawa on 12 March. Objections filed on 13 April were rejected by the DRP on 24 August as belated; the final assessment followed on 31 August 2016.

Source: PDF pp.1–4, 7

02 DISCUSSION BY THE HON'BLE COURT

The assessee reported receipt on 14 March, when security personnel handed the Saturday delivery to the concerned officer. Revenue said that statement caused the AO to await the DRP. The Court held the AO had to verify actual service and timeliness from available postal records, rather than rely on the assessee's stated date.

Source: PDF pp.5–7, 14–16

03 JUDICIAL DECISION

Only timely objections restrained completion of assessment. Belated objections did not require the AO to await their dismissal; the section 144C(3)–(4) route remained applicable. The Court sustained the finding that the 31 August assessment was time-barred.

Source: PDF pp.12–18, paras 10–17

04 OUTCOME / IN WHOSE FAVOUR

Revenue's appeal dismissed; no substantial question of law arose and the Tribunal's limitation ruling stood.

Source: PDF p.18, para 17

05 EXPERT COMMENTS

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

Track service independently from internal circulation: The accepted service date was 12 March, not the later date when the tax officer within the company received the document. Companies should preserve receipt and dispatch records and route draft orders promptly. The AO also had an independent duty to check the postal record; an incorrect date in the assessee's intimation did not replace actual delivery. (PDF pp.7, 15–16, paras 8, 14)

Two statutory paths cannot be mixed: The Court distinguished assessment following timely DRP objections from finalisation where no timely objections exist. A late filing does not suspend the AO's power or preserve the later DRP-based timetable. The useful chronology therefore includes actual service, objection filing and the deadline under subsection (4), rather than starting the calculation only when the DRP eventually rejects the filing. (PDF pp.12–15, 17–18, paras 10–13, 16)

The limitation result did not approve the late objection: The Court did not condone the taxpayer's delay or accept 14 March as service. It treated alleged misleading conduct as unable to alter the plain statutory language, without deciding that allegation conclusively. The substantive transfer-pricing adjustment was not adjudicated here; the surviving relief was invalidity of the final assessment on limitation. (PDF pp.16–18, paras 15–17)

Source: PDF pp.7, 15–16, paras8, 14

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 18-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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