DBS Technology Services India Private Limited v. Assistant Commissioner of Income Tax and others

WP No.19502 of 2025

WP No.19502 of 2025; decided 3 July 2026 | 2026-07-03

CPC automation cannot justify refusing to consider an uploaded Form 56F.

Income-tax Act,1961: sections 10AA, 143(1)(a)

High Court for the State of Telangana | Division Bench | P. Sam Koshy | Suddala Chalapathi Rao

Assessment years: Not specified in order text

01 FACTS OF THE CASE

DBS Technology Services India, formerly DBS Asia Hub 2, challenged the 24 March 2025 rejection of its section 10AA claim. Its audit report was issued 18 November 2019 before the return due date, but omitted from the 26 November return and uploaded 16 December 2019. After appellate proceedings and a Tribunal remand, the authority again refused relief citing CPC automation and inability to issue a fresh adjustment notice.

Source: PDF paras 1–7, pp.1–5

02 DISCUSSION BY THE HON'BLE COURT

The Court treated the omission as procedural on these facts. It held that the automated processing arrangement could not defeat a legitimate claim without considering the report. It also noted undisputed allowance of the deduction in previous and subsequent years and invoked consistency.

Source: PDF paras 8–9, pp.6–8

03 JUDICIAL DECISION

The 24 March 2025 proceedings were quashed. The first respondent must scrutinize the Form 56F uploaded 16 December 2019, then consider and extend the deduction if the taxpayer is otherwise entitled, through a consequential order in accordance with law.

Source: PDF para 10, p.8

04 OUTCOME / IN WHOSE FAVOUR

The writ was allowed without costs and miscellaneous petitions closed. Relief is conditional scrutiny and consideration, not an unconditional allowance of a quantified deduction. The recovered eight-page order does not expressly state the assessment year.

Source: PDF paras 10–11, p.8

05 EXPERT COMMENTS

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

Distinguish audit completion from upload: The report existed before the return due date and was subsequently uploaded. Those facts supported treating the lapse as procedural. The judgment should not be extended without analysis to a case where the audit itself was never completed or substantive eligibility is absent. (PDF paras 2 and 8, pp.2,6)

Automation must implement adjudication: A Tribunal-directed opportunity cannot be defeated merely because CPC lacks a stated functionality. The authority must examine the available report and implement the adjudicatory direction; the software limitation was not a merits reason for denying this claim. (PDF paras 3–9, pp.3–8)

Eligibility remains a live inquiry: Consistency with adjacent years supported the taxpayer, but paragraph 10 expressly retains the condition of otherwise being entitled. The practical next step is verification of Form 56F and the deduction conditions, rather than treating the writ order as a final computation. (PDF paras 9–10, pp.7–8)

Source: PDF paras2 and8, pp.2,6

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Original two-page proceedings sheet and complete 8-page separate judgment reviewed together; both originals retained.

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

Open cited source rendition

Court-copy judgment recovered from LiveLaw; docket, date, bench and disposition match the original proceedings sheet.

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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