

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "बी", अहमदाबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
" B " BENCH, AHMEDABAD

सुश्री सुचित्रा कम्बले, न्यायिक सदस्य एवं
श्री मकरंद वसंत महादेवकर, लेखासदस्य के समक्ष।

BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER
AND
SHRI MAKARAND V. MAHADEOKAR, ACCOUNTANT MEMBER

आयकर अपील सं/ITA No.881/Ahd/2024
निर्धारण वर्ष /Assessment Year : 2019-20

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| DCIT (Exemptions) Circle-2 Ahmedabad | <u>बनाम/ v/s.</u> | Deendayal Port Authority Administrative Officer Post Box No.50 Gandhidham Kachchh - 370 201 (Gujarat) |
| स्थायी लेखा सं./PAN: AAALK 0046 N | | |
| अपीलार्थी/ (Appellant) | | प्रत्यर्थी/ (Respondent) |
| Assessee by : | Shri Tushar Hemani, Sr.Advocate & Shri Parimalsinh B. Parmar, AR | |
| Revenue by : | Shri V. Nandakumar, CIT-DR | |

सुनवाई की तारीख/Date of Hearing : 11/12/2024
घोषणा की तारीख /Date of Pronouncement: 13/12/2024

आदेश/ORDER

PER MAKARAND V. MAHADEOKAR, AM:

This appeal is filed by the Revenue against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as "CIT(A)"], dated 31.03.2024, for the Assessment Year (AY) 2019-20 arising out of order passed by the Assessing

Officer [hereinafter referred to as “AO”] u/s 154 of the Income Tax Act, 1961 [hereinafter referred to as “the Act”].

2. The sole ground of appeal raised by the Revenue reads as under:

“Whether, on the facts and in the circumstances of the case, the Ld. CIT(A) was justified in allowing increased TDS credit of Rs.168,61,96,022/-, whereas TDS credit of only Rs.165,66,37,908/- was granted as per the rectification order under Section 154 of the Act dated 11.08.2022.”

3. The facts of the case, in brief, are as follows:

- i. The assessee originally claimed TDS credit of Rs.165,66,37,908/- in its return of income. However, as per the updated Form 26AS, the TDS credit was Rs.1,67,86,04,178/. Based on this discrepancy, the assessee filed a rectification application under Section 154 before the AO for granting the correct amount of TDS credit.
- ii. The AO, vide rectification order dated 11.08.2022, did not accept the assessee’s claim for higher TDS credit and restricted it to Rs.165,66,37,908/- as originally claimed in the return of income.
- iii. Aggrieved, the assessee filed an appeal before the CIT(A). The CIT(A), after due consideration, allowed the increased TDS credit of Rs.168,61,96,022/-, relying on the updated Form 26AS. The CIT(A) observed that the increase in TDS credit was due to the late payment of TDS and the late filing of revised quarterly TDS returns in Form 26Q by the Port users. The CIT(A) directed the AO to verify the updated Form 26AS and grant credit accordingly.

4. During the course of the hearing before us, the Learned Departmental Representative (DR) conceded the issue. The DR submitted that the Department does not contest the correctness of the TDS credit as determined by the CIT(A). The DR further submitted that the matter may be referred to

the AO for verification and necessary compliance as per the CIT(A)'s directions.

5. The Authorized Representative (AR) of the assessee stated that the corresponding revenue from which the TDS was deducted is already offered for taxation.

6. In light of the Department's concession and the facts on record, we find no infirmity in the order of the CIT(A). The CIT(A) has correctly allowed the TDS credit as reflected in the updated Form 26-AS and directed the AO to verify and grant the credit. It is a settled principle of law that TDS credit appearing in Form 26-AS must be allowed when the revenue relating to such credit is already offered to tax, subject to verification.

6.1. Before parting, we would like to observe that filing appeals on such issues, where the Department has already conceded before us to abide by the directions of the CIT(A), results in unnecessary litigation and wastage of precious judicial time. We urge the Revenue authorities to exercise greater discretion and avoid filing appeals in cases where the matter can be resolved through verification at the AO's level, in line with the principles of natural justice. This will help in reducing the burden on appellate forums and foster a more efficient resolution of disputes.

6.2. Accordingly, we dismiss the Revenue's appeal as infructuous. The AO is directed to verify the updated Form 26-AS for the relevant assessment year and grant TDS credit of Rs.168,61,96,022/- as determined by the CIT(A). The

AO is also directed to verify that the corresponding revenue is included in the total income of the assessee.

7. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced in the Open Court on 13 December, 2024 at Ahmedabad.

**Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

**Sd/-
(MAKARAND V. MAHADEOKAR)
ACCOUNTANT MEMBER**

अहमदाबाद/Ahmedabad, दिनांक/Dated 13/12/2024

टी. सी. नायर, व. नि. स. / T.C. NAIR, Sr. PS

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-(NFAC), Delhi
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण , राजकोट/DR,ITAT, Ahmedabad,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण, ITAT, Ahmedabad