

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' B ' Bench, Hyderabad

श्री रविश सूद, न्यायिक सदस्य एवं श्री मधुसूदन सावड़िया लेखा सदस्य समक्ष।
Before Shri Ravish Sood, Judicial Member
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं / **ITA No.1356/Hyd/2025**
(निर्धारण वर्ष / Assessment Year: 2024-25)

M/s Samhith Fintech Private Limited, Hyderabad PAN:ABLCS1930Q	Vs.	Dy.CIT Circle 3 (1) Hyderabad
(Appellant)		(Respondent)
निर्धारित द्वारा / Assessee by:	Shri Srinivas Bharath NK, CA	
राजस्व द्वारा / Revenue by:	Shri Waseem UR Rehman Sr. DR	
सुनवाई की तारीख / Date of hearing:	03/12/2025	
घोषणा की तारीख / Pronouncement:	10/12/2025	

आदेश/ORDER

Per Madhusudan Sawdia, A.M.:

This appeal is filed by M/s. Samhith Fintech Private Limited (“the assessee”), feeling aggrieved by the order passed by the Learned ADDL/JCIT (Appeals), National Faceless Appeal Centre (NFAC), Delhi (“Ld. First Appellate Authority”) dated 30.06.2025 for the A.Y.2024-25.

2. The assessee has raised the following grounds of appeal:

1. Ground of appeal

- Relevant Section of IT Act: 250
- Issue: Order is opposed to facts and law
- Ground: The impugned order passed by the learned CIT(A) under section 250 of the Act is erroneous, contrary to law, and opposed to facts of the case. The Assessee disputes and challenges the findings recorded therein.

2. Ground of appeal

- Relevant Section of IT Act: 250
- Issue: Order is opposed to facts and law
- Ground: The learned CIT(A) erred in upholding denial of TDS credit of ₹6,66,366.44 for AY 2024-25 despite the credit reflecting in Form 26AS and tax having been duly deposited to the Central Government on behalf of the appellant.

3. Ground of appeal

- Relevant Section of IT Act: 250
- Issue: Order is opposed to facts and law
- Ground: The learned CIT(A) failed to appreciate that non-grant of credit results in unjust enrichment of the revenue and denies substantive relief for a procedural lapse, contrary to principles of natural justice.

4. Ground of appeal

- Relevant Section of IT Act: 199
- Issue: Non-grant of TDS Credit in contravention of Section 199
- Ground: The learned CIT(A) erred in upholding the intimation under section 143(1) by denying credit of TDS. The provisions of Section 199, which clearly provide that tax deducted and remitted to the Central Government shall be treated as payment of tax on behalf of the assessee, were not correctly applied, and Rule 37BA was incorrectly applied so as to restrict such credit, which is impermissible in law.

5. Ground of appeal

- Relevant Section of IT Act: Section 254 r/w rule 11
- Issue: Additional evidence and grounds of appeal
- Ground: I pray for leave to add, amend, modify, delete, or introduce additional grounds of appeal at any stage before the final disposal of the present appeal. In light of the foregoing grounds and any other submissions that may be raised from time to time, I humbly request the Honourable National Faceless Appeal Centre (NFAC) to adjudicate upon the matter in the interest of justice and direct the Assessing Officer to grant due consideration to the TDS credit erroneously omitted while processing the return.



We are making this submission on behalf of M/s. Samhith Fintech Private Limited.

Thanking you

For and on Behalf of
M/s. Samhith Fintech Private Limited,

Srinivas Bharath N.K .

Place: Bangalore
Date: 26th August, 2025

Name: CA Srinivas Bharath N K
Designation: Authorized Representative



3. The brief facts of the case are that the assessee is a company and filed its return of income for the Assessment Year 2024–25 on 29.10.2024 declaring a total loss of Rs.38,61,336/-. During the year, total TDS of Rs.6,66,366.44 was deducted in the case of the assessee and such deduction was duly reflected in Form No.26AS. However, while filing the return of income, the assessee inadvertently did not claim credit of the said TDS. Consequently, the Centralized Processing Centre (“CPC”), while processing the return of the assessee under section 143(1) of the Income Tax Act, 1961 (“the Act”) vide intimation dated 29.10.2024, did not grant credit for the TDS.

4. Aggrieved with the intimation of CPC, the assessee preferred an appeal before the Ld. First Appellate Authority. The Ld. First Appellate Authority, however, dismissed the appeal on the ground that since the assessee did not claim the TDS credit in

the return of income, the same could not be granted in view of Rule 37BA(4) of the Income Tax Rules, 1962 (“the Rules”).

5. Aggrieved with the order of the Ld. First Appellate Authority, the assessee is in further appeal before this Tribunal. During the course of appellate proceedings, the Learned Authorised Representative (“Ld. AR”) submitted that the TDS of Rs.6,66,366.44 is duly reflected in Form No.26AS and was deducted in the name of the assessee. He submitted that the omission to claim the credit in the return was purely inadvertent and procedural and the assessee should not be deprived of the benefit of tax already deducted. He therefore prayed that the TDS credit may be directed to be allowed upon verification.

6. Per contra, the Learned Departmental Representative (“Ld. DR”) relied upon the order of the Ld. First Appellate Authority and submitted that since the assessee did not claim the TDS credit in the original return, the CPC was justified in denying the same. He argued that in terms of Rule 37BA of the Rules, it is necessary that the assessee makes a claim in the return and therefore the denial of credit is in accordance with law.

7. We have carefully considered the rival submissions and perused the material available on record. It is not in dispute that TDS is reflected in Form No.26AS in the name of the

assessee. In this regard, it is crucial to go through the provisions of Section 199 of the Act, which is to the following effect:

“199. (1) Any deduction made in accordance with the foregoing provisions of this Chapter and paid to the Central Government shall be treated as a payment of tax on behalf of the person from whose income the deduction was made, or of the owner of the security, or of the depositor or of the owner of property or of the unit-holder, or of the shareholder, as the case may be.

(2) Any sum referred to in sub-section (1A) of section 192 and paid to the Central Government shall be treated as the tax paid on behalf of the person in respect of whose income such payment of tax has been made.

(3) The Board may, for the purposes of giving credit in respect of tax deducted or tax paid in terms of the provisions of this Chapter, make such rules as may be necessary, including the rules for the purposes of giving credit to a person other than those referred to in sub-section (1) and sub-section (2) and also the assessment year for which such credit may be given.”

8. On a perusal of above, it is evident that Section 199 of the Act clearly provides that credit for tax deducted at source shall be given to the assessee from whose income such tax has been deducted. In our considered view, the omission to claim the credit in the return is purely procedural in nature, and the substantive right under section 199 of the Act cannot be denied merely on such technicality. However, before granting the credit, the Ld. AO must verify whether the income corresponding to the said TDS has been offered for taxation by the assessee. In the interest of justice, we therefore deem it appropriate to restore the matter to the file of the Ld. AO with a direction to verify the TDS reflected in Form No.26AS and grant due credit to the assessee after verifying

whether the corresponding income has been offered for taxation in the return of income. The assessee shall be entitled to produce all relevant documents before the Ld. AO to facilitate such verification.

9. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 10th December 2025.

Sd/-

Sd/-

(RAVISH SOOD) JUDICIAL MEMBER	(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER
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Hyderabad, dated 10th December 2025

Vinodan/sps

Copy to:

S.No	Addresses
1	M/s. Samhith Fintech (P) Ltd 204, Vishwas Centre, Sanathnagar, I E S O, Ameerpet, Hyderabad 500018
2	Assistant Commissioner of Income Tax/Dy. CIT Circle 3(1) Signature Towers, Hyderabad 500001
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order