

**IN THE INCOME TAX APPELLATE TRIBUNAL
'SMC' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.2124/Bang/2025
Assessment Year: 2022-23

Sandeep Karanam, #306, Kaveri Shelters, Sai Lotus Layout, 1 st Main, Chennasandra, Rajarajeshwari Nagar, Bengaluru – 560 098. PAN – AREPK 0385 P	Vs.	The Addl/JCIT (A)-5, Mumbai. .
APPELLANT		RESPONDENT

Assessee by	:	Shri Ajay V Hande, CA
Revenue by	:	Shri Ganesh R Ghale, Standing Counsel for Department

Date of hearing	:	13.11.2025
Date of Pronouncement	:	08.12.2025

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

This is an appeal filed by the assessee against the order passed by the Addl/JCIT(A)-5, Mumbai vide order dated 28/07/2025 in DIN No. ITBA/APL/S/250/2025-26/1078977293(1) for the assessment year 2022-23.

2. The only issue raised by the assessee through above interconnected grounds is that the learned CIT(A)/NFAC erred in not allowing the credit of foreign tax credit of Rs. 1,34,746/- only.

3. The necessary facts are that the assessee is an individual. During the assessment year 2022-23, year under consideration, the assessee was employed with Infosys Ltd and deputed in USA for short period of time. For deputation in USA, the assessee drawn salary of Rs. 13,33,521/- and tax on the same was paid in USA for Rs. 1,34,746/- only.

4. In the return filed for the year under the dispute, the assessee declared salary income earned from India as well as from USA on deputation and accordingly claimed relief under section 90 of the Act for foreign tax credit of Rs. 1,34,746/-. The assessee also filed form 67 as required under the Act for claiming foreign tax credit. However, the assessee in form 67 inadvertently mentioned the name of the country/specified territory as "India" instead of "USA".

5. The CPC while processing the return under section 143(1) of the Act disallowed the assessee's claim under section 90 of the Act by considering the form 67 which mentioned tax paid in specified territory as "India".

6. The aggrieved assessee filed rectification application under section 154 of the Act but did not get the relief. Finally, the assessee filed appeal before the learned NFAC/ CIT(A) against the order passed under section 154 of the Act.

7. The learned CIT(A) observed that as per rule 128 of the Income Tax Rule 1962 read with section 90 the Act, the assessee is allowed credit of taxes paid in country/specified territory outside India and for which the assessee is required to file Form-67. The appellant assessee has filed Form-67 within due date which contain the name of the country in which tax paid is "INDIA" whereas in the return of income the name of the country is shown as USA. Hence, there was apparent mismatch in the details submitted by the assessee. Therefore, the CPC rightly disallowed the claim of the assessee.

8. Being aggrieved by the order of the Id. NFAC/ CIT-A, the assessee is in appeal before us.

9. The learned AR before us submitted that the appellant assessee rightly claimed the credit of taxes paid in the USA in his return of income filed for the year, but inadvertent clerical mistake crept in Form 67. The Revenue authority ignored the claim made in the return of income which is mandatory & paramount and relied upon mistaken information in Form 67 filing of which is not mandatory but directory requirement. In support of the contention, the learned AR relied upon the order of the coordinate bench of this Tribunal in case of Ms. Brinda Ramkrishna vs ITO reported in 135 taxmann.com 358 where it was held that filing of form 67 is directory.

9.1 The learned AR further made reference to the order of this Tribunal in case of Rakesh Singh vs. ACIT reported in 26 taxmann.com 240 where the bench held that the AO should not take the advantage of being any omission on part of the assessee to claim any rightful relief.

Accordingly, the learned AR argued that the assessee has paid taxes in USA on salary drawn there which is supported by the tax deduction certificate by the employer. The assessee also rightly claimed the relief in the return of income filed. But the revenue authority instead of allowing the rightful relief disallowed the same merely for the reason that the assessee mistakenly mentioned name of the country in which tax paid as "India". Furthermore, the learned AR argued the scheme of the Act provides that the revenue authority must not take advantage of ignorance or mistake of the assessee to any relief and refund which the assessee entitled to. Accordingly, the learned AR prayed to us to set aside the order of the CPC and learned CIT(A) and allow the relief claimed by the assessee.

10. On the contrary, the learned DR vehemently supported the order of the authorities below.

11. We have heard the rival contentions of both the parties and perused the materials available on record. The only issue before us is whether the assessee is eligible for the foreign tax credit (FTC) of ₹1,34,746 paid in the USA on income earned during his deputation there.

11.1 It is an admitted fact that the assessee was employed with Infosys Ltd. and was sent to the USA for a short period during the relevant year. The salary earned in the USA was duly offered to tax in India, and the assessee paid tax in the USA on the same income. The assessee also claimed credit for such foreign taxes under section 90 of

the Act. He filed Form-67 within the prescribed time but, due to a clerical error, mentioned the name of the country as "India" instead of "USA." Because of this mistake, the CPC disallowed the FTC claim while processing the return under section 143(1) of the Act. The assessee filed a rectification request under section 154, but no relief was granted. The Id. first appellate authority (CIT(A)/NFAC) also confirmed the disallowance on the ground that there was a mismatch between the country mentioned in Form-67 and the country shown in the return of income.

11.2 We find that the assessee has paid taxes in the USA, and this fact is supported by the tax certificate issued by the employer. The credit claimed is in accordance with section 90 of the Act and the relevant Double Taxation Avoidance Agreement (DTAA) between India and the USA. The only reason for denial of credit is the clerical error in mentioning the country name in Form-67.

11.3 We are of the view that such a minor and unintentional error should not defeat a lawful claim that is otherwise valid and supported by evidence and available to the assessee. The purpose of Form-67 is procedural and intended to verify the claim made by the assessee. It is not meant to deny a legitimate relief merely because of a technical or typographical mistake. This view finds support from the decisions of coordinate benches of this Tribunal, including *Ms. Brinda Ramkrishna v. ITO* (135 taxmann.com 358), where it was held that filing of Form-67 is directory and not mandatory. The decision in *Rakesh Singh v. ACIT* (26 taxmann.com 240) also supports that an assessing officer should not

take advantage of an assessee's mistake or ignorance to deny rightful relief.

11.4 The law aims at ensuring that income is not doubly taxed. The assessee has paid tax in the USA and also offered the same income to tax in India. Denial of FTC in such circumstances would amount to double taxation, which the DTAA specifically seeks to avoid. Therefore, we hold that the authorities below erred in denying the FTC claim merely because of a clerical error in Form-67. Accordingly, we set aside the finding of the learned NFAC/CIT(A) and direct the AO to grant the foreign tax credit of ₹1,34,746/ as claimed by the assessee. Hence the ground of appeal raised by the assessee is allowed.

12. In the result, the appeal of the assessee is hereby allowed.

Order pronounced in court on 8th day of December, 2025

Sd/-

(KESHAV DUBEY)

Judicial Member

Bangalore

Dated, 8th December, 2025

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

Sd/-

(WASEEM AHMED)

Accountant Member

By order

Asst. Registrar, ITAT, Bangalore