

**IN THE INCOME TAX APPELLATE TRIBUNAL SURAT BENCH, SURAT
(HYBRID HEARING)**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

I.T.A. No.590/SRT/2025
(Assessment Year: 2019-20)

R G Lifter A/2/13, Salimabad Society, Near Decent Furniture, Jahangirpura, Surat-395005	Vs.	Asst. Director of Income Tax, CPC, Bangaluru
[PAN No. AAJFR3952K]		
(Appellant)	..	(Respondent)

Appellant by :	Shri Esmayeel Saherwala, CA
Respondent by:	Shri Ajay Uke, Sr. DR

Date of Hearing	16.10.2025
Date of Pronouncement	01.01.2026

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Assessee against the order of the Ld. Commissioner of Income Tax(Appeals), [hereinafter referred to as 'CIT(A)'], National Faceless Appeal Centre (in short 'NFAC'), Delhi dated 25/03/2025 for Assessment Year (AY) 2019-20.

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

a) *That the Ld. CIT(A), NFAC, DELHI has erred in law and on facts in upholding the order of the Ld. ADIT, CPC, which denied the credit of Tax Deducted at Source (TDS) amounting to Rs. 6,14,931/- despite the same being duly reflected in the appellant's Form No. 26AS and claimed in the return of income.*

b) *That the Ld. CIT(A) NFAC, DELHI has erred in not directing the Assessing Officer to verify the latest Form 26AS and allow credit for the TDS amount of Rs. 6,14,931/- that was legitimately due to the appellant.*

c) *That the Ld. CIT(A) NFAC, DELHI has erred in not appreciating that the denial of TDS credit is in direct contravention of Section 199 of the income Tax Act,*

1961. read with Rule 37BA of the Income Tax Rules, 1962, which mandates that credit for tax deducted at source shall be given for the assessment year for which such Income is assessable and cannot be denied merely on procedural grounds.

d) That the Ld. CIT(A) NFAC, DELHI has erred in upholding the levy of interest u/s 234A, 234B, and 234C despite the fact that after considering the prepaid taxes including the TDS of Rs. 6,14,931/-, there is no tax due from the appellant and consequently, there is no justification for the levy of interest.

e) That the Ld. CIT(A) NFAC, DELHI has erred in not appreciating that the Ld. ADIT, CPC did not provided an effective opportunity of being heard to the appellant before rejecting the claim for TDS credit, thereby violating the principles of natural justice.

f) The Appellant reserves the right to add, amend, replace or delete any grounds of Appeal on or before conclusion of the appeal

3. The assessee in this appeal, is aggrieved by the action of the CIT(A) in dismissing the appeal of the assessee filed against the order passed by the Assessing Officer (in short 'AO') u/s 154 of the Income Tax Act 1961 [hereinafter referred to as 'Act'].

4. At the outset, the Ld. Counsel for the assessee has submitted that the short issue involved in this appeal is relating to denial of the credit of Tax Deducted at Source (TDS) to the assessee of Rs. 6,14,931/- despite the same being duly reflected in the Form 26AS and the same also being claimed in the Return of Income.

5. The Ld. Counsel inviting our attention to the impugned order of the CIT(A), has submitted that the Ld. CIT(A) has dismissed the appeal of the assessee in a mechanical manner without giving opportunity of hearing to the assessee. He has submitted that the Ld. CIT(A) has observed that in the Form 26AS, no TDS was reflected, whereas, same has been duly reflected therein.

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6. In view of the above submissions of the Ld. A.R., in our view the interests of justice will be well served if the assessee is given an opportunity to present his case on merits before the Ld. CIT(A). Accordingly, the matter is restored to the file of the CIT(A) with a direction to decide the appeal of the assessee on merits, after giving due opportunity of hearing to the assessee to present his case.

7. In the result, the Appeal of the assessee is treated as allowed for statistical purposes.

Order pronounced under proviso to Rule 34 of ITAT Rules, 1963 on 01/01/2026

Sd/-
(BIJAYANANDA PRUSETH)
ACCOUNTANT MEMBER

Ahmedabad; Dated 01 /01/2026

Neelesh, Sr. PS

आदेश की प्रतिलिपि ँ ग्रेषित/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)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, सूरत / DR, ITAT, Surat
6. गार्ड फाईल / Guard file.

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

आदेशानुसार/ BY ORDER,

//True Copy//

उप/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकर अपीलीय अधिकरण, सूरत/ ITAT, Surat