

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'A' BENCH
MUMBAI**

**BEFORE: SHRI AMIT SHUKLA, JUDICIAL MEMBER
&
SHRI MAKARAND VASANT MAHADEOKAR,
ACCOUNTANT MEMBER**

**ITA No.5288/Mum/2025
(Assessment Year :2023-24)**

Apurva Ashwin Desai 601, Sanket Apartment Central Avenue 14 th Road M J Market Mumbai (E) Mumbai	Vs.	Addl./JCIT(A)-2, Chennai ITO Ward 27(3)(1), Mumbai
PAN/GIR No.AABPD2306D		
(Appellant)	..	(Respondent)

Assessee by	Ms. Monika Jain on behalf of Shri D. M. Shah
Revenue by	Shri Surendra Mohan, Sr. DR
Date of Hearing	27/01/2026
Date of Pronouncement	28/01/2026

आदेश / O R D E R

PER AMIT SHUKLA (J.M):

The present appeal has been filed by the assessee against the order dated 27.06.2025 passed by the learned Addl./JCIT(A)-2, Chennai, arising out of rectification proceedings under section 154 of the Income-tax Act, 1961, for the assessment year 2023-24. The grievance of the assessee lies in a narrow compass and relates solely to denial of credit of tax deducted at source, which

according to the assessee stands duly reflected in Form No. 26AS and is fully reconcilable with the income disclosed in the return.

2. Briefly stated, the assessee had filed the return of income for the year under consideration on 30.07.2023, which was processed under section 143(1). Since proper credit of TDS was not granted by the CPC, an application under section 154 was moved. Though an order came to be passed on 28.05.2024 determining the total income at nil, the credit of TDS was still not allowed. In appeal, the assessee placed on record the computation of income, Form No. 26AS, and complete particulars relating to rental income as well as sale of two residential flats, contending that there was no factual dispute whatsoever insofar as deduction and deposit of tax at source was concerned.

3. The learned first appellate authority, while dealing with the rectification appeal, recorded certain observations with reference to Form No. 26AS and the computation of income furnished by the assessee, and on that basis proceeded to hold that the issue involved a mismatch requiring factual verification and therefore fell outside the purview of section 154. The relevant portion of the appellate order, as relied upon, is reproduced hereunder:

“6.2 During the appellate proceedings, the appellant submitted his reply and reiterated the statement of facts and furnished the copy of rectification order, computation of income etc for the period under consideration.

6.3 Vide grounds of this appeal, the appellant has raised objection towards the non credit of the TDS while processing the return of income. On perusal of the Form 26AS and the computation of income as furnished by the appellant it is observed that the TDS credit of Rs. 8,33,184/- by the HSBC on the rent payments is found to be in order. The relevant portion of the 26AS is reproduced as below-

Personal Account Number		AABPD230VD		Current Status of PAN		Active and Operative		Financial Year		2022-23		Assessment Year		2023-24	
Name of Assessee		APURVA ASHWIN DESAI		Address of Assessee		601 SANKET APARTMENT, ABOVE RAYMOND SHOP, CENTRAL AVENUE ROAD, CHEMBUR, MUMBAI, MUMBAI, MAHARASHTRA, 400071									
* Above date / Status of PAN is as per PAN details. For any change in data as mentioned above, you may submit request for corrections Refer www.in-ndi.com / www.itiid.com for more details. In case of discrepancy in status of PAN please contact your Assessing Officer. (All amount values are in INR)															
PART-I - Details of Tax Deducted at Source															
Sr. No.	Section ¹	Transaction Date	Status of Booking*	Date of Booking	Remarks**	Amount Paid / Credited	Tax Deducted **	Total Tax Deducted	Total TDS Deposited						
1						8331756.00		833184.00	833184.00						
THE HONGKONG & SHANGHAI BANKING CORPORATION LIMITED						MUMT00181G									
1	194I(b)	01-Mar-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
2	194I(b)	01-Mar-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
3	194I(b)	01-Mar-2023	F	03-Jun-2023	G	694313.00	69432.00	69432.00	69432.00						
4	194I(b)	01-Feb-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
5	194I(b)	01-Feb-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
6	194I(b)	01-Feb-2023	F	03-Jun-2023	G	694313.00	69432.00	69432.00	69432.00						
7	194I(b)	01-Jan-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
8	194I(b)	01-Jan-2023	F	03-Jun-2023	-	694313.00	69432.00	69432.00	69432.00						
9	194I(b)	01-Jan-2023	F	03-Jun-2023	G	694313.00	69432.00	69432.00	69432.00						
10	194I(b)	05-Dec-2022	F	12-Feb-2023	-	694313.00	69432.00	69432.00	69432.00						
11	194I(b)	01-Nov-2022	F	12-Feb-2023	-	694313.00	69432.00	69432.00	69432.00						
12	194I(b)	04-Oct-2022	F	12-Feb-2023	-	694313.00	69432.00	69432.00	69432.00						
13	194I(b)	01-Sep-2022	F	06-Nov-2022	-	694313.00	69432.00	69432.00	69432.00						
14	194I(b)	04-Aug-2022	F	06-Nov-2022	-	694313.00	69432.00	69432.00	69432.00						
15	194I(b)	07-Jul-2022	F	06-Nov-2022	-	694313.00	69432.00	69432.00	69432.00						
16	194I(b)	01-Jun-2022	F	09-Aug-2022	-	694313.00	69432.00	69432.00	69432.00						
17	194I(b)	04-May-2022	F	09-Aug-2022	-	694313.00	69432.00	69432.00	69432.00						
18	194I(b)	01-Apr-2022	F	28-Aug-2022	-	694313.00	69432.00	69432.00	69432.00						
Sr. No.	Section ¹	Transaction Date	Date of Booking	Remarks**	Amount Paid/Credited	Tax Deducted **	TDS Deposited								
No Transactions Present															
Sr. No.	Section ¹	Transaction Date	Status of Booking*	Remarks**	Amount Paid/Credited										
No Transactions Present															
Sr. No.	Acknowledgement Number	Name of Deductor	PAN of Deductor	Transaction Date	Total Transaction Amount	Total TDS Deposited***									
1	BJ7349311	PANXXX XANTILAL GONDALIYA	AASPG1091K	01-Mar-2023	12500000.00	1250000.00									
Sr. No.	TDS Certificate Number	Section ¹	Date of Deposit	Status of Booking*	Date of Booking	Demand Payment	TDS Deposited***								
1	XNSFH1AA	1941A	18-Mar-2023	F	22-Mar-2023	No	1250000.00								
2	XNSFH1AA	1941A	18-Mar-2023	F	22-Mar-2023	No	1250000.00								
3	XNSFH1AA	1941A	18-Mar-2023	F	15-Apr-2023	No	1250000.00								
4	XNVIG1YA	1941A	12-Apr-2023	F	15-Apr-2023	Yes	0.00								
Sr. No.	Auction Judgment Number	Name of Deductor	PAN of Deductor	Transaction Date	Total Transaction Amount	Total TDS Deposited***									
2	BJ7347303	PANXXX XANTILAL GONDALIYA	AASPG1091K	01-Mar-2023	8500000.00	850000.00									
Sr. No.	TDS Certificate	Section ¹	Date of Deposit	Status of Booking*	Date of Booking	Demand Payment	TDS Deposited***								

On further perusal of the Form 26AS it was observed that the appellant has sold two properties for the sale consideration of Rs. 1,25,00,000/- and Rs 85,00,000/-

6.4 However, on examining the computation of income filed, it is noticed that the appellant has declared the sale consideration for both transactions as 1,25,00,000 each, which is inconsistent with the values reported in Form 26AS. Specifically, the second transaction, reported by the deductor as 85,00,000 in the TDS return (Form 2008), has been declared by the appellant in the computation at 1,25,00,000, resulting in a mismatch.

This discrepancy raises suspicion that whether the entire TDS credit claimed actually pertains to income that has been correctly offered to tax. Therefore, the correctness of the TDS claim, hinges upon factual reconciliation of the declared income and the actual transaction values.

4. We have heard the rival submissions and perused the material available on record. On a careful consideration of the factual matrix, it is evident that the assessee had received rental income from HSBC Bank Ltd., on which tax amounting to Rs. 8,33,184/- was duly deducted and deposited. The said deduction finds clear reflection in Form No. 26AS and its correctness has, in fact, not been doubted by the first appellate authority. Apart from the rental receipts, the assessee had also sold two residential flats, and tax aggregating to Rs. 2,10,000/- was deducted at source in respect of the said transactions, which again stands duly reflected in Form No. 26AS.

5. The denial of credit has been sought to be justified on the premise that there is an inconsistency between the value of one of the transactions as reported by the deductor in the TDS return and the consideration disclosed by the assessee in the computation of income. In our considered opinion, such an

approach is clearly misplaced in the context of section 154. Once tax has been deducted at source, deposited with the exchequer, and the same is duly reflected in Form No. 26AS of the assessee, the credit thereof cannot be withheld merely on the basis of a perceived mismatch in transaction values, particularly when the assessee has disclosed the transaction and claimed the resultant capital loss in the return of income.

6. The scope of rectification under section 154 extends to correcting mistakes apparent from the record. Denial of TDS credit, despite its clear reflection in Form No. 26AS and absence of any dispute regarding deduction and deposit of tax, constitutes a patent and manifest error. The issue does not travel into any debatable or contentious factual territory warranting a roving enquiry. At this stage, the Revenue cannot sit in judgment over the deductor's reporting, nor can the assessee be made to suffer for discrepancies, if any, in the TDS statement filed by the payer.

7. In view of the foregoing discussion, we hold that the authorities below were not justified in denying credit of tax deducted at source to the assessee. Accordingly, we direct the Assessing Officer to grant credit of TDS amounting to Rs. 8,33,184/- in respect of rental income and Rs. 2,10,000/- in respect of sale of properties, strictly in accordance with Form No. 26AS.

8. In the result, the appeal filed by the assessee stands allowed.

Order pronounced on 28th January, 2026.

Sd/-
(MAKARAND VASANT
MAHADEOKAR)
ACCOUNTANT MEMBER

Mumbai; Dated 28/01/2026
KARUNA, *sr.ps*

Sd/-
(AMIT SHUKLA)
JUDICIAL MEMBER

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar)
ITAT, Mumbai