

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**"C" BENCH, MUMBAI**

**BEFORE SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER**  
**SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER**

**ITA No.4703/MUM/2025**  
**(Assessment Year :2021-22)**

**DCIT-2(1)(1), Mumbai**

Room No. 561, 5<sup>th</sup> Floor,  
Aayakar Bhavan, Mumbai- 400021

..... Appellant

v/s

**Incred Financial Services Limited**

1203, 12<sup>th</sup> Floor, The Capital, B Wing,  
G Block, BKC, Mumbai- 400051  
PAN: AAACM7774Q

..... Respondent

**CO No. 269/MUM/2025**  
**(Assessment Year :2021-22)**

**Incred Financial Services Limited**

1203, 12<sup>th</sup> Floor, The Capital, B Wing,  
G Block, BKC, Mumbai- 400051  
PAN: AAACM7774Q

..... Cross Objector  
(Original Respondent)

v/s

**DCIT-2(1)(1), Mumbai**

Room No. 561, 5<sup>th</sup> Floor,  
Aayakar Bhavan, Mumbai- 400021

..... Respondent  
(Original Appellant)

Assessee by : Shri Madhur Agrawal a/w  
Mr Punit Shah

Revenue by : Shri Virabhadra Mahajan, Sr. DR

Date of Hearing – 02/02/2026

Date of Order - 10/02/2026

**ORDER****PER SANDEEP SINGH KARHAIL, J.M.**

The present appeal by the Revenue and cross-objection by the assessee has been filed against the impugned order dated 27/03/2025, passed under section 250 of the Income Tax Act, 1961 ("the Act"), by the learned Additional/Joint Commissioner of Income Tax (Appeals), Bhopal, ["*learned Addl./Joint CIT(A)*"], which in turn arose from the intimation issued under section 143(1) of the Act, for the assessment year 2021-22.

2. In this appeal, the Revenue has raised the following grounds: -

1. *"On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in directing the Assessing Officer to allow credit of TDS not reflected in Form 26AS merely on the basis of the assessee's claim and indemnity bond, without ensuring that whether the tax so deducted had actually been deposited to the credit of the Central Government, as required under section 199(1) of the Income-tax Act, 1961 read with Rule 37BA of the Income-tax Rules, 1962."*

2. *"On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in shifting the onus onto the Assessing Officer to allow TDS credit without there being any confirmation from the deductors OR rectification in the TDS records, thereby bypassing the established mechanism for TDS verification and exposing the Revenue to potential loss."*

3. *"The appellant craves the leave to add, amend, alter and/OR DELETE any of the grounds of appeal as above."*

3. We have considered the submissions of both sides and perused the material available on record. For the year under consideration, the assessee filed its return of income on 15/03/2022, after claiming TDS credit of INR 22,20,37,534. The return filed by the assessee was processed vide intimation dated 14/12/2022 issued under section 143(1) of the Act, whereby TDS credit of only INR 20,61,49,733 was granted to the assessee, resulting in a short grant of TDS credit of INR 1,68,87,801.

4. The rectification application filed by the assessee under section 154 of the Act was also disposed of without granting any relief to the assessee. In its appeal before the learned CIT(A), the assessee filed the following details of short grant of TDS credit: –

*(Amounts in INR)*

SL No.	Name of the party	TAN of the party	TDS credit claimed in ITR [A]	TDS credit granted as per rectification order [B]	Short TDS credit [A-B]
1	RA Associates	MUMR17318A	1,65,35,104	-	5,81,250
					1,59,53,854
2	Apollo International Limited	RTKA03479A	42,30,282	38,77,885	3,52,397
3	State Bank of India	MUMS89583E	90,69,371	90,69,071	300
Total			2,98,34,757	1,29,46,956	1,68,87,801

5. After considering the submissions of the assessee, the learned CIT(A), vide impugned order, issued the following directions: –

*"4.1 I have considered the facts of the case, contention of the appellant and the intimation order u/s 143(1) of the Act. The appellant has submitted that, as per the latest Form No. 26AS, credit for TDS of Rs. 5,81,250/- is being reflected but credit is not granted. Further, the appellant has submitted that TDS of Rs. 1,59,53,854/-, Rs. 3,52,397/- and Rs. 300/- has been deducted by RA Associates, Apollo International Ltd. and State Bank of India respectively but is not reflected in Form 26AS. The appellant has placed reliance on various judgements such as Hon'ble Gujarat High Court in the case of Devarsh Pravinbhai Patel v. ACIT (Civil Application No. 12965 of 2018) (Gujarat HC), Hon'ble Delhi Tribunal in the case of Jasjit Singh v. ITO (Del) - ITA No.4096/Del./2016 and ITA No.4097/Del./2016 and Citicorp Finance (India) Limited vs. the Addl. Commissioner of Income Tax (ITA No. 8532/Mum/2011) (Mumbai Tribunal) wherein it was held that TDS credit should be given to the taxpayer irrespective of the fact that tax so deducted has not been deposited or not with the state exchequer by the deductor on the basis the of evidence produced for TDS and on the basis of indemnity bond.*

*Hence, considering the above discussion, the appeal of the applicant on this ground is allowed and the AO is directed to give credit of TDS as reflected in Form 26AS and also after verification of the claims of the assessee with regard to the TDS deducted but not deposited by the deductor on the basis the of evidence produced for TDS and on the basis of indemnity bond; and also calculate interest u/s 244A as per provisions of the IT Act."*

6. During the hearing, the learned Authorised Representative ("learned AR") placed reliance upon the judicial pronouncements, which were also

relied before the learned CIT(A) and submitted that TDS credit should be given to the taxpayer irrespective of the fact that the tax so deducted has not been deposited with the state exchequer by the deductor on the basis of the evidence produced for TDS.

7. Having considered the submissions of both sides and perused the material available on record, we find that the learned CIT(A) issued directions to the AO to give credit of TDS only after necessary verification. Thus, there is no outright direction for the grant of TDS to the assessee. Further, the credit of TDS as reflected in Form 26AS is to be given after necessary verification. Accordingly, we do not find any infirmity in the findings of the learned CIT(A) on this issue, and the same are upheld. As a result, the grounds raised by the Revenue are dismissed.

8. As we have dismissed the appeal filed by the Revenue, the cross-objection filed by the assessee becomes infructuous and is accordingly dismissed.

9. In the result, the appeal by the Revenue and the cross-objection by the assessee are dismissed.

Order pronounced in the open Court on 10/02/2026

**Sd/-**  
**VIKRAM SINGH YADAV**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**SANDEEP SINGH KARHAIL**  
**JUDICIAL MEMBER**

**MUMBAI, DATED: 10/2/2026**

*Disha Raut, Stenographer*

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Mumbai; and*
- (5) *Guard file.*

By Order

Assistant Registrar  
ITAT, Mumbai.