

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.197 OF 2026
(Arising out of SLP(Civil)No.1806 of 2026
@ Diary No.72057 of 2025)

INCOME TAX ASSESSING OFFICER,
BARODA & ORS. ...Appellants

Vs.

SHOBHAN SHANTILAL DOSHI ...Respondent

O R D E R

1. Delay condoned.
2. Leave granted.
3. The only grievance raised by the appellants in the present appeal is regarding the directions given by the High Court in paragraph Nos.10 and 11 of the impugned order. While granting relief to the respondent on merits, direction has been issued to the Central Board of Direct Taxes to make changes in the software so that no demand is raised in future in similar cases.
- 3.1 Challenge has not been made to the relief granted to the respondent on merits. Hence, we do not propose to issue notice to the respondent as the order, we propose to pass, will not affect the

relief granted to the respondent.

4. Learned Additional Solicitor General appearing for the appellants submitted that unless the Assessing Officer comes to know about the facts of the case regarding deduction of Tax Deducted at Source (TDS) by the person paying the amount to the assessee, the liability cannot be waived off. It is only in case any TDS has been deducted from the payments made to an assessee that he gets credit, despite the fact that the amount may not have been paid to the Department by the person who deducted the TDS. For that, certain facts will always be required to be verified. Any change in the software will not even point out the cases to the Assessing Officer where there may be a wrong claim made regarding deduction of tax. There can be other different factual situations, which may require manual examination after issuance of show cause notice to the assessee. Hence, change in the software may result in ignoring demands, which may be genuine. Technology are only meant for assistance and data processing, and not for adjudication of cases.

5. As the aforesaid directions issued have nothing to do with the case on merits and will not affect the respondent-assessee, in our opinion, the present appeal can be disposed of with the observation that the direction issued by the High Court in paragraph

Nos. 10 and 11 of the impugned order for changes to be made in the software are set aside.

6. With the aforesaid clarification in the impugned order passed by the High Court, the present appeal is disposed of.

.....J.
(RAJESH BINDAL)

.....J.
(VIJAY BISHNOI)

NEW DELHI;
January 12, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 72057/2025

[Arising out of impugned final judgment and order dated 14-10-2024 in SCA No. 5870/2024 passed by the High Court of Gujarat at Ahmedabad]

INCOME TAX ASSESSING OFFICER BARODA & ORS. **Petitioner(s)**

VERSUS

SHOBHAN SHANTILAL DOSHI **Respondent(s)**

(IA No. 4106/2026 - CONDONATION OF DELAY IN FILING)

Date : 12-01-2026 This matter was called on for hearing today.

CORAM :

**HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE VIJAY BISHNOI**

For Petitioner(s) :

Mr. Raghavendra P Shankar, A.S.G.
Ms. Madhulika Upadhyay, AOR
Mr. Karan Lahiri, Adv.
Mr. Bhuvan Kapoor, Adv.
Mr. Udit Dedhiya, Adv.
Mr. Shashank Bajpai, Adv.

For Respondent(s) :

**UPON hearing the counsel the Court made the following
O R D E R**

Delay condoned.

Leave granted.

**The Civil Appeal is disposed of in terms of the
signed order.**

**Pending application, if any, shall also stand
disposed of.**

**(ANITA MALHOTRA)
AR-CUM-PS**

(Signed order is placed on the file.)

**(AKSHAY KUMAR BHORIA)
COURT MASTER**