

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"DB" BENCH, COCHIN**

**SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER  
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No.554/COCH/2025  
(Assessment Year:2017-2018)**

**Naico Information Technology  
Services Private Limited**

Office No. O405B, 4<sup>th</sup> Floor, SCK 01,  
Smart City Kochi SEZ, Infopark-Kochi  
SO, Infopark, Ernakulam, Kerala, India,  
Ernakulam, Kerala- 682042  
[PAN: AACCN3127E]

..... **Appellant**

Vs

**Corporate Cir 2(1)**

Central Revenue Building,  
Cochin, Ernakulam, Kerala- 682018

..... **Respondent**

**Appearance**

For the Appellant/Assessee : Shri Vivek Sathyan, CA  
For the Respondent/Department : Smt. Leena Lal, Sr. AR

**Date**

Conclusion of hearing : 20.08.2025  
Pronouncement of order : 10.09.2025

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**ORDER**

**Per Rahul Chaudhary, Judicial Member:**

1. The present appeal preferred by the Assessee is directed against the order, dated 06/03/2025, passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'the **CIT(A)**'] whereby the Ld. CIT(A) under Section 250 r.w.s 254 of the Income Tax Act, 1961 [hereinafter referred to as 'the **Act**'] whereby the Ld. CIT(A) had dismissed the appeal against the Assessment Order, dated 30/11/2019, passed under Section 143(3) of the Act for the Assessment Year 2017-2018.
2. The Assessee has raised following grounds of appeal :

- “1. *Whether the order passed by the Learned CIT(A) to the extent appealed against is against law, equity, and justice?*
2. *Whether the Learned CIT(A) erred in rejecting the claim under section 10AA of the Act, amounting to Rs. 48,58,390/-.*
3. *Whether the Learned CIT(A) is justified in again adjudicating on the question regarding non filing of Form 56F of the Income Tax Act since the Honorable ITAT Cochin Bench vide Order No.669/Coch/2023 dtd 18.11.2024 had already considered the issue and has allowed appeal of the assessee by directing the Learned CIT(A) for deciding the ground on merit.*
4. *Whether the Learned CIT(A) is justified in disregarding the mandatory directions of the Honorable Tribunal for deciding the issue on merit which action amounts to transgressing judicial hierarchy.*
5. *Whether the Learned CIT(A) is correct in holding*

*“Moreover, the appellant has not filed any further details to justify correctness of its claim of deduction under Section 10AA, it has merely relied on belated filed Form 56F. Therefore, the appellant is not found to be eligible for deduction for the year under consideration”.*

*Without requiring the appellant to furnish any further details regarding the claim.*

6. *For these and other grounds that may be further adduced before or at the time of hearing, the order of the Learned CIT(A) requires to be modified and claim under Section 10AA may kindly be allowed.”*

3. The relevant facts in brief are that the Assessee is a private limited company. For the Assessment Year 2018, the Assessee filed return of income on 24/10/2017. The case of the Assessee was selected for selected for scrutiny assessment. During the assessment proceedings, the Assessing Officer noted that the Assessee had claimed a sum of INR.48,58,390/- as deduction under section 10AA of the Income-tax Act. In the return of income, it was stated that

relevant audit report for claiming deduction under Section 10AA of the Act in Form No.56F was filed on 01/09/2017. However, the Assessing Officer noted the aforesaid Form No.56F was not on record. The Assessee had filed Form No.56F on 25/02/2019 after receiving notice under Section 143(2) of the Act. Further, Form No.56F was not signed by a Chartered Accountant. According to the Assessing Officer, the Assessee had failed to fulfill the mandatory condition of filing Form No.56F along with the return of income as specified in Section 10AA(8) of the Act. Therefore, the Assessing Officer concluded that the Assessee was not entitled to deduction under Section 10AA of the Act. The issued had travelled to the Tribunal. Vide order dated 18/11/2024, the issue was set aside to the file of the CIT(A) for deciding the issue on merits. In view of the aforesaid order passed by the Tribunal, the CIT(A) passed the impugned order the relevant extract of which reads as under:

*"Again in the above screenshot, there is no Form 56F filed in year 2017.*

*The appellant has claimed to have faced technical issue on the website of Income tax but the appellant has not filed any evidence to demonstrate the error faced. The appellant has also not stated whether it raised any online grievance against technical glitch faced by it.*

*Moreover the appellant could have filed physical Form 56F with jurisdictional assessing officer to demonstrate it has acted bonafide.*

*In addition to above, the appellant has not filed any further details pertaining to appropriateness of its claim. It has merely relied upon belated Form 56F issued. In view of the above, I am of the considerate opinion that the appellant has merely claimed to have face technical issue but it has not demonstrated the same. Hon'ble ITAT's order also do not speak about the documentary evidence filed by the appellant to demonstrate its claim, thus it is imperative to first ascertain whether the appellant had actually faced any technical glitch which prevented it from filing Form 56F online or it was merely an afterthought. If the appellant demonstrates the actuality of issue faced and proves that it*

*acted bonafide, the lapse of filing Form 56F can be condoned but the appellant has grossly failed to do so.*

*Moreover, the appellant has not filed any further details to justify correctness of its claim of deduction under Section 10AA, it has merely relied on belated filed Form 56F. Therefore, the appellant is not found to be eligible for deduction for the year under consideration.*

*Accordingly, the appeal of the appellant is Dismissed."*

*(Emphasis Supplied)*

4. Being aggrieved, the Assessee has preferred the present appeal before the Tribunal on the grounds reproduced in paragraph 2 above.
5. The Learned Authorised Representative of the Assessee appearing before us submitted that the CIT(A) did not grant sufficient opportunity to the Assessee before passing the impugned order. It was further submitted that contrary to the directions given by the Tribunal the CIT(A) has again decided the issue on technicalities without examining the merits of the claim made by the Assessee. Therefore, the issue be restored back to the file of the CIT(A) for adjudication.
6. Per contra the Learned Departmental Representative relied upon the order passed by the Learned CIT(A) and submitted that the Learned CIT(A) has stated that Form 56F was not filed by the Assessee in year 2017 and the same was filed by the Assessee in 2019.
7. We have perused the Order dated, 18/11/2024, passed by the Cochin Bench of the Tribunal in ITA No.669/Cochin/2023 (Assessment Year 2017-2018) whereby the following directions were given to the CIT(A):

*"4. Heard both the sides and perused the material on record. Without reiterating the fact as discussed supra in this order, the assessee in its submission before the Id. CIT(A) has submitted that Form 56F was filed during the initial period of computerization and same was uploaded on 29.09.2017 and Form No. 56 filed on 25.02.2019 was the copy of Form 56*

which was already uploaded on 29.10.2017. However, the Id. CIT(A) has not considered this fact that Form No. 56F was already filed on Naico Information Technology Services Pvt. Ltd.

*The assessee has further reported that there was technical problem in uploading the Form No. 56F as the same could not be uploaded only after incorporating the digital signature. We find that Id. CIT(A) has not considered of these technical difficulties faced by the assessee in uploading Form 54F at the initial stages of computerization of process of uploading such form.*

*5. In the light of the above fact and finding, **we restore this case to the file of the Id. CIT(A) for deciding on merit**, therefore, this ground of appeal of the assessee is allowed for statistical purposes."*

*(Emphasis Supplied)*

8. It is not the case of the Revenue that the aforesaid order has been recalled in an application filed under Section 254(2) of the Act or the same has been set-aside/overturned in an appeal preferred by the Revenue under Section 260A of the Act. Thus, the aforesaid Order, dated 18/11/2024, passed by the Tribunal in ITA No.669/Cochin/2023 (Assessment Year 2017-2018) continues to hold the field. Therefore, the Learned CIT(A) is bound by the same.
9. We find that in paragraph 5 of the impugned order, the Learned CIT(A) has recorded as under:

*"5. FINDINGS & DECISION:*

*I have perused the assessment order and grounds of appeal. The Ld. AO had not allowed deduction u/s 10AA to appellant due to non filing of mandatory report in form 56F on time. The issued had travelled till ITAT and Hon'ble ITAT vide order dated 18 November 2024 set aside matter to officer of CIT(A) for deciding matter on **merits**."*

*(Emphasis Supplied)*

10. Thus, it is admitted position that the Learner CIT(A) was directed to adjudicate the claim for deduction under Section 10AA of the Act on merits. Despite noting is above, we find that the Learned CIT(A) again dismissed the appeal citing belated filing of Form 56F. The

action of the Learner CIT(A) is contrary to the directions given by the Tribunal to adjudicate the claim on merits. Accordingly, we set aside the impugned Order passed by the Learned CIT(A) with the directions to adjudicate the grounds raised by the Assessee challenging denial of deduction claimed under Section 10AA of the Act on merits without rejecting the same merely on the ground of delay in filing Form 56F as directed by the Tribunal. The Assessee are also directed to co-operate in the appellate proceedings and file all the relevant documents/detail/submission on which the Assessee wishes to place reliance on receiving the notice of hearing from the Learned CIT(A). It is clarified that in case the Assessee fails to comply with the notice of hearing issued by the Learned CIT(A) and/or fails to furnish supporting documents/details/submission, the Learned CIT(A) would be at liberty to adjudicate the appeal on merits based upon the material forming part of the record. In terms of the aforesaid Ground No. raised by the Assessee is allowed for statistical purposes.

11. In the result, the present appeal preferred by the Assessee is allowed for statistical purposes.

Order pronounced on 10.09.2025.

**Sd/-**  
**(Inturi Rama Rao)**  
**Accountant Member**

**Sd/-**  
**(Rahul Chaudhary)**  
**Judicial Member**

मुंबई Mumbai; दिनांक Dated : 10.09.2025

*Disha Raut, Stenographer*

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2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि ,आयकर अपीलीय अधिकरण ,मुंबई / DR,  
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