

**IN THE INCOME TAX APPELLATE TRIBUNAL
'SMC' BENCH, BANGALORE**

**BEFORE SHRI NARENDER KUMAR CHODHRY, JUDICIAL MEMBER AND
SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.1212 & 1213 /Bang/2025
Assessment Year: 2023-24 & 2024-25

M/s Logisian Technology Solutions Pvt. Ltd., Harikripa, Dakshina Kannada, Ashoknagar, Mangaluru – 575 006. PAN – AACCL 8895 M	Vs.	The Dy. Commissioner of Income Tax, Circle – 1(1) & TPS, Mangaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri Kirath Singh, AR
Revenue by	:	Shri Ganesh R Ghale, Standing Counsel for Department

Date of hearing	:	14.08.2025
Date of Pronouncement	:	09.10.2025

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

These two appeals by the assessee arise out of intimations u/s 143(1) processed by CPC, Bengaluru and the orders of the CIT(A), NFAC, both denying the assessee the lower corporate tax regime u/s 115BAA of the Act for the assessment years 2023-24 and 2024-25. Since the issue and facts are common, the appeals are heard together and disposed of by this consolidated order.

2. The CPC while processing the return of income for the impugned assessment years 2023-24 and 2024-25 denied computation of tax under the concessional regime u/s 115BAA and computed tax at normal rates. The denial was based on its internal record showing that in AY 2022-23 the assessee had not opted for section 115BAA of the Act, as per the intimation dated 04.11.2022, which carried such a remark. No independent verification of the assessee's Form 10-IC or the ITR extract was undertaken, and the adjustment was carried out mechanically while issuing the intimation under section 143(1) of the Act.

3. The Id. CIT(A), NFAC confirmed the action of CPC. He held that since in AY 2022-23 the intimation stated that the assessee had not exercised the option, the assessee was ineligible for the lower tax regime in AYs 2023-24 and 2024-25. The appellate authority did not examine the Form 10-IC filed in AY 2020-21, the fact that CPC itself had allowed the option in AYs 2020-21, 2021-22 and 2022-23. The copy of ITR is placed in the paper book evidencing that the option had been selected. The appellate order, therefore, proceeded entirely on the basis of the remark in CPC's intimation of AY 2022-23.

4. The learned Authorised Representative submitted that the assessee had duly filed Form 10-IC on 25.03.2021 and validly exercised the option under section 115BAA of the Act for AY 2020-21. Once exercised, the option continues for subsequent years and is irrevocable in terms of section 115BAA(5) of the Act. It was submitted that CPC had already allowed the concessional rate for AYs 2020-21 and 2021-22 through intimations u/s 143(1) of the Act. For AY 2022-23, the ITR itself clearly showed that the assessee had selected "Yes" for opting under

section 115BAA of the Act, a copy of which is placed in the paper book at Annexure E. The contrary remark in CPC's intimation of that year was a processing error and in any case no adjustment was made to the returned income. The Id. AR contended that whether an assessee has opted for section 115BAA of the Act is not a prima facie error apparent from the return and hence cannot be rectified in 143(1) processing. It was argued that the Id. CIT(A) erred in relying solely on the intimation remark of AY 2022-23 while ignoring contemporaneous return evidence, and prayed that the adjustments for the impugned years be deleted and the benefit of section 115BAA be directed to be granted.

5. The learned Departmental Representative, on the other hand, supported the orders of the lower authorities. He submitted that as per CPC's records the assessee had not opted for section 115BAA in AY 2022-23, and it was for the assessee to conclusively establish that it had met all statutory requirements. He contended that even if the option was exercised, the assessee has to demonstrate year-wise compliance with section 115BAA(2) of the Act, which requires foregoing of specified deductions and set-offs. The Id. DR submitted that if the Tribunal were inclined to accept the assessee's plea, the matter should be restored to the file of CPC or AO for verification of records and compliance conditions before granting the benefit.

6. We have considered rival submissions of both the parties and perused the materials on record. The provisions of section 115BAA(5) of the Act clearly provides that once the option is exercised, it applies to subsequent assessment years and is irrevocable. It is not in dispute that the assessee filed Form 10-IC on 25.03.2021 and CPC accepted the

concessional regime in AYs 2020-21 and 2021-22. For AY 2022-23, the ITR extract placed on record at Annexure E shows that the assessee had indeed selected the 115BAA of the Act option. The contrary remark in CPC's intimation dated 04.11.2022 is inconsistent with the contemporaneous return evidence and appears to be a processing mistake, particularly as no adjustment was made in that year. On these facts, the reliance placed by CPC and Id. CIT(A) solely on the said remark is misplaced. The issue whether the assessee has exercised the option under section 115BAA is not an error apparent from the return so as to be rectified in 143(1) processing. At the same time, the verification of conditions under section 115BAA(2) is a matter of computation, which the AO may examine while giving effect, but such verification cannot be a ground to deny the regime itself. We accordingly hold that the assessee's option under section 115BAA subsists and that the adjustments made u/s 143(1) for AYs 2023-24 and 2024-25 are unsustainable.

6.1 In view of the above, the adjustments denying section 115BAA for AY 2023-24 (ITA No. 1212/Bang/2025) and AY 2024-25 (ITA No. 1213/Bang/2025) are deleted. The AO/CPC is directed to recompute tax under the 115BAA regime, carrying out only arithmetical and statutory adjustments as envisaged in section 115BAA(2) of the Act. This finding is supported by Form 10-IC filed for AY 2020-21, the CPC intimations for AYs 2020-21 and 2021-22, and the ITR extract for AY 2022-23 evidencing the option. Hence, the grounds of both the appeals are allowed for statistical purposes.

7. In the result, both appeals of the assessee are allowed.

Order pronounced in court on 9th day of October, 2025

Sd/-

(NARENDER KUMAR CHODHRY)

Judicial Member

Sd/-

(WASEEM AHMED)

Accountant Member

Bangalore

Dated, 9th October, 2025

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore