

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "B": NEW DELHI**

**BEFORE Ms. MADHUMITA ROY, JUDICIAL MEMBER  
AND  
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

**ITA No. 5362/DEL/2024  
Assessment Year: 2020-21**

<b>Pioneer E Solution Pvt. Ltd., B-25, Somdutt Chamber-1, Bhikaji Cama Place, New Delhi-110066 PAN: AAGCP 7237 H</b>	<u>Vs</u>	DCIT Circle-19(1), Delhi.
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Assessee represented by</b>	Shri Vijay Kumar Singla, CA	
<b>Department represented by</b>	Shri Rajesh Kumar Dhanesta, Sr. DR	
<b>Date of hearing</b>	03.09.2025	
<b>Date of pronouncement</b>	28.10.2025	

**ORDER**

**PER Ms. MADHUMITA ROY, JM:**

The instant appeal, preferred by the assessee, is directed against the order dated 10.10.2024 [DIN & Order No. ITBA/NFAC/S/250/2024-25/1069585920(1)] passed by the National Faceless Appeal Centre (NFAC), Delhi, arising out of the order dated 01.07.2022 passed by the ADIT, CPC, Bengaluru under section 154 of

the Income Tax Act, 1961 (hereinafter referred to as “the Act”) for the Assessment Year 2020-21.

2. Grounds of appeal raised by the assessee read as under:

*“1) That on the facts and in the circumstances of the case and in law, Ld CIT-A erred in sustaining the order passed by Ld AO disallowing the benefit of lower tax u/s 115BAA of the Act to the assessee resulting into tax demand of Rs. 528320/-, Due to which the Intimation u/s 143(1) along with rectification order u/s 154 is bad in law, void-ab-initio and is liable to set aside in full.*

*2) That on the facts and in the circumstances of the case and in law, Ld CIT-A erred in sustaining the order passed by Ld AO because the assessee inadvertently while filing the Income Tax Return for the Assessment Year 2020-21 could not file Form 10IC on the Income Tax Portal though the same has been claimed in ITR thereby giving sufficient Intimation to the Income Tax Department of the assessee's intent to avail benefit u/s 115BAA.*

*3) That on the facts and in the circumstances of the case and in law, Ld CIT-A erred in sustaining the order passed by Ld AO because filing of form 10-IC is directive in nature which can be filed late, even at the time of assessment but can't be fatal to the assessee and the company can't be made liable for higher taxation.*

*4) That on the facts and in the circumstances of the case and in law, Ld CIT-A erred in not condoning the delay in filing appeal with Ld CIT(A) due to the reasons beyond control of the appellant*

*5) That on the facts and in the circumstances of the case and in law, Ld CIT-A erred in sustaining the order passed by Ld AO as the Assessment order of the Ld Assessing Officer is bad in law and facts as it is prejudicial to the interests of the appellant due to lack of principles of natural justice or violation of principles of natural justice.*

*6) That the Appellant prays for an opportunity of being heard in person through representative and the grant of permission to add, alter, delete, modify, any or all of the grounds of appeal at any time on or before or during the time of hearing before the Hon'ble ITAT”*

3. The assessee filed return of income for Assessment Year 2020-21 by opting Section 115BAA of the Act in which concessional rate of income tax at 22% to be applied to the assessee in the event the assessee fulfilled all the conditions laid down in the said Section 115BAA of the Act. However, the assessee due to some technical glitches could not file Form 10-1C on or before the due date for filing of Income Tax Return. On 29.12.2022 the Learned Assessing Officer processed the Income Tax Return under Section 143(1) of the Act and denied relief as claimed by the assessee under Section 115BAA of the Act due to procedural lapses i.e. non filing of Form 10-1C before the due date for filing of return, thereby taxing the total income at 25% instead of 22% as claimed by the assessee as per provisions of law. Rectification application under Section 154 of the Act was filed and order was passed by the Learned AO on 01.07.2022 without giving any show cause notice or opportunity of being heard to the assessee as the case made out by the assessee, charging total income at 30% including the provisions of the Income-tax Act that in case of domestic company having turnover upto Rs. 400 crores during F.Y. 2017-18 then income tax to be charged at 25%.

4. It is the case of the assessee that intimation and rectification order were not made known to the assessee. Further that due to disruption on account of Covid-19 pandemic resignations of old staff and their relocation caused loss of substantial

business after Covid-10 pandemic. Though the rectification application was filed by the assessee on 4<sup>th</sup> May 2023, the same was rejected. In fact it appears that no relief was granted under Section 115BAA of the Act even in rectification application due to the procedural lapses on the part of the assessee of non-filing of Form 10-1C of the Act before the due date of filing of return. The appeal against the said order passed under Section 154 of the Act dated 01.07.2022 was further rejected by the First Appellate Authority, confirming the order passed by the Ld. ADIT, Bangalore on the ground that appeal was filed on 8.11.2022 i.e. after delay of 464 days and no sufficient cause for condoning such delay in filing the appeal though a condition precedent has not been sufficiently pleaded by the assessee. It is a matter of fact that the assessee took one of the grounds of filing the appeal before the Ld. CIT(A) is due to Covid-19 Pandemic.

5. Heard the parties. Perused the records. The reason assigned by the assessee in filing the appeal before the Ld. CIT(A) as narrated hereinabove, seems to be genuine and particularly having regard to the merit of the matter meaning thereby the technical glitch faced by the assessee in filing Form 10-1C of the Act before the due date of filing of income-tax return. It appears that the balance of convenience is in favour of the assessee and, therefore, the delay in preferring the appeal before the Learned First Appellate Authority ought to have been condoned.

Having regard to the entire aspect of the matter we condone the delay in preferring the appeal before the Learned First Appellate Authority.

6. So far as the merit of the matter is concerned i.e. rejection of assessee's claim under Section 115BAA for concessional rate of income tax at 22% for non-filing of Form 10-1C of the Act within the due date of filing of return by the assessee is concerned, we note that such is procedural aspect, not mandatory but directory is to be complied by the assessee. In this regard we have further considered the judgment relied upon by the assessee in the case of Aparmeya Engineering Limited v. ITO [ITA No. 456/Ahd/2024 order dated 11.06.2024], wherein delay in filing Form 10-1C though procedural requirement it has been held that the same should not invalidate the assessee's substantive right to the benefit of Section 115BAA of the Act. The relevant observation made by the Coordinate Bench is reproduced herein below:

*“8.1. The Hon'ble Gujarat High Court in the case of Zenith Processing Mills v CIT reported in 219 ITR 721 (Guj.) held that provision of section 80J(6A) of the Act to extent it requires furnishing of auditor's report in prescribed form along with return, is directory in nature and not mandatory. Further, it was held that the assessee can be permitted to produce such a report at later stage when question of disallowance arises during course of assessment proceedings. In the instant case, the L.d.A.O. as well as the Ld.CIT(A) has denied benefit of concessional tax rate u/s 115BAA of the Act on account of an inadvertent error on the part of the assessee in not e-filing Form 10 IC before due date prescribed. We are, therefore, of the view that there is sufficient compliance if the Form 10 IC has been filed during the course of assessment proceeding, since there is no material objective to be achieved*

*by the assessee in not e-filing the same, once the intent was very well declared in Form 3CD.*

*8.2. Considering the principle of beneficial interpretation, the procedural requirements should not override substantive benefits. The Courts have taken a lenient view on procedural lapses when substantive benefits are involved. SC ruling in the case of CIT v. G.M. Knitting Industries (P.) Ltd. reported in (2015) 376 ITR 456 emphasized that the making of a claim of deduction is mandatory, but timing is directory. Even if the claim is made during the assessment proceedings, such a claim is to be allowed.*

*8.3. After considering the submissions, the judicial precedents cited and the specific facts of the case, we are of the opinion the delay in filing Form 10-IC, though a procedural requirement, should not invalidate the assessee's substantive right to the benefit of section 115BAA of the Act.*

*8.4. The CBDT's Circulars extending the due dates for filing such forms in earlier years indicate a recognition of such procedural difficulties. These Circulars indicate a degree of administrative flexibility and a recognition that procedural lapses should not necessarily lead to the denial of substantive benefits. Moreover, denying the benefit based solely on this lapse would be against the principles of equity and justice, especially when there is no dispute regarding the assessee's eligibility for the lower tax rate.*

*8.5. In light of the above, the Ground Number 1 is allowed. Ground Number 2 is an alternative ground and, therefore, not adjudicated. Ground Numbers 3 and 4 are general in nature, which are also not adjudicated.*

*9. In the result, the order of the CIT(A) is set aside and the appeal of the assessee is partly allowed.”*

7. We have already opined that the filing of Form 10-1C within due date of filing of return by the assessee is a procedural one which otherwise if not complied in its strict sense cannot be a bar in granting relief to the assessee under Section 115BAA of the Act as also held by the Coordinate Bench in the matter referred to

above. Respectfully relying upon the same we, thus, allow the assessee's appeal by directing the Learned Assessing Officer to grant relief to the assessee as claimed under Section 115BAA of the Act. Ordered accordingly.

8. In the result, assessee's appeal ITA No. 5362/Del/2024 is allowed.

Order pronounced in open court on 28.10.2025.

Sd/-

**(NAVEEN CHANDRA)**  
**ACCOUNTANT MEMBER**

Dated: **28.10.2025.**

\*MP\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(MS. MADHUMITA ROY)**  
**JUDICIAL MEMBER**

ASSISTANT REGISTRAR  
ITAT, NEW DELHI