

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "F" MUMBAI**

**BEFORE SHRI OM PRAKASH KANT (ACCOUNTANT MEMBER)
AND
SHRI RAJ KUMAR CHAUHAN (JUDICIAL MEMBER)**

**ITA No. 4903/MUM/2025
Assessment Year: 2024-25**

Sharus Steel Products Pvt. Ltd.,
70, Nagindas Master Road,
Medow Street Fort,
Mumbai-400 001.
PAN NO. AAJCS 5153 N
Appellant

ITO Ward 2(3)(1),
Aayakar Bhavan, M.K.
Road, New Marine Lines,
Mumbai-400020.
Vs.
Respondent

Assessee by : Mr. Dharmesh Shah/
Ms. Mitali Parekh
Revenue by : Mr. Vivek Perampurna, CIT-DR
(Virtually Present)

Date of Hearing : 18/09/2025
Date of pronouncement : 15/12/2025

ORDER

PER OM PRAKASH KANT, AM

This appeal by the assessee is directed against order dated 18.07.2025 passed by the Ld. Additional/Joint Commissioner of Income-tax (Appeals) – Kolkata [in short ‘the Ld. CIT(A)’] for assessment year 2024-25, raising following grounds:

- 1. The Ld. CIT(A) has erred in law and in facts in passing order u/s. 250 of the Act and confirming the addition made by Ld. A.O.*



2. The Ld. CIT(A) has erred in law and in facts in confirming the action of Ld. A.O. in denying benefit of concessional tax rate opted by appellant u/s. 115BAA of the Act.

3. The Ld. CIT(A) has erred in law and in facts in confirming the action of Ld. A.O. in determining the tax liability of appellant as per provision of s. 115JB of the Act amounting to Rs. 10,87,39,350/-

4. The Ld. CIT(A) has erred in law and in facts in not appreciating the fact that filing of Form 10-IC for availing benefit of concessional rate u/s. 115BAA is directory in nature and not mandatory.

2. Briefly stated, the assessee is a domestic company engaged in the manufacture of steel doors, frames and fabrication work. For the year under consideration, it filed its return of income on 01.10.2024 declaring a loss of ₹35,47,625/- and claimed a refund of ₹17,240/-. In the return of income, the assessee opted for taxation under the concessional rate provided in section 115BAA of the Income-tax Act, 1961 (“the Act”).

2.1 The return of income filed by the assessee was processed and intimation order u/s 143(1) of the Act was passed on 22.01.2025 by the Central Processing Unit, Bangalore [in short ‘the Ld. Assessing Officer CPC’]. The CPC computed tax liability u/s 115JB of the Act disregarding tax liability computed by the assessee under the concessional tax regime following section 115BAA of the Act.

2.2 The assessee submitted that while filing the return of income it had correctly selected the option under section 115BAA in Part A-GEN of the ITR form and computed tax accordingly. However, by inadvertence, Form No. 10-IB was uploaded on 01.10.2024 instead



of the prescribed Form No. 10-IC. Thereafter, the assessee electronically filed the correct Form No. 10-IC on 30.01.2025 and sought rectification under section 154 by filing a revised return on 07.02.2025. The rectification request, however, was rejected without assigning any reason.

2.3 Aggrieved with the intimation u/s 143(1) of the Act, the assessee filed appeal before the Ld. CIT(A) but could not succeed. The Ld. CIT(A) was of the view that filing of form No. 10-IC for claiming concessional tax regime within due date was a statutory requirement and therefore, non-compliance on the part of the assessee, he upheld the finding of the Ld. CPC. The relevant finding of the Ld. CIT(A) is reproduced as under:

“5.1 I have carefully gone through the Intimation u/s 143(1), the grounds of appeal and submission made by the appellant in this regard. Briefly stating facts of the case is that the appellant filed return of income which was processed u/s 143(1) by CPC making certain adjustments over and above the returned income. The only issue involved in this case is that the appellant which had filed return of income opting to be taxed at special rate u/s 115BAA of the I.T. Act. However, while processing the return u/s 143(1) of the Act, CPC charged tax at normal rate.

5.2 All the grounds of appeal raised by the appellant are against charging of tax at normal rate instead of that u/s 115BAA as opted in the return of income. As per the provisions of section 115BAA(5) of the Act, in order to avail the benefit of taxation at special rate under this section, a taxpayer is required to e-file Form 10-IC read with Rule 21AE of I.T. Rules, 1962 within the due date of filing return of income as specified in section 139(1) of the Act. In this case, the appellant filed Form 10-IB instead of Form 10-IC by mistake within the due date. Since filing of Form 10-IC within due date is statutory requirement, CPC was justified in computing the tax at normal rate instead of that u/s 115BAA. The appeal is therefore dismissed.”



3. Before us, the learned counsel for the assessee filed a Paper Book (pages 1–28) containing the return of income filed on 01.10.2024, Form No. 10-IB filed the same day, and Form No. 10-IC filed on 31.01.2025, among other documents. The assessee reiterated that the omission was purely inadvertent and that all substantive conditions of section 115BAA stood satisfied.

4. We have heard rival submissions of the parties and perused the relevant materials on record. The undisputed facts are that the assessee filed return of income on 01.10.2024 opting the concessional rate of new tax regime u/s 115BAA of the Act under the provisions of the Act and filed form no. 10-IB under Income-tax Rules, 1962 (in short 'the Rules') for opting such concessional tax regime. But , the correct form prescribed for this purpose was form No. 10-IC of the Rules. The assessee submitted that it has otherwise fulfilled all the terms and conditions for eligibility of concessional tax regime u/s 115BAA but inadvertently in place of Form No. 10-IC, the assessee filed Form No. 10-IB of the Rules and that was the sole reason the CPC rejected the option of the assessee for assessing under the concessional tax regime and taxed under the old tax regime and computed tax liability of Rs.10,59,20,641/-.

4.1 Thus, the limited issue arising for our consideration is whether the failure to file Form No. 10-IC within the prescribed time is fatal to the assessee's claim, or whether such requirement is procedural and can be condoned when the substantive conditions



are met. The learned counsel relied upon the decision of the Co-ordinate Bench of the Tribunal in *Mahalaxmi Asphalt Pvt. Ltd.*, ITA No. 1291/Ahd/2024 (A.Y. 2020-21), where a similar issue arose. In that case, the Tribunal, after examining various High Court decisions, held that appellate authorities have inherent power to condone delay and accept the belated Form No. 10-IC when the assessee otherwise satisfies the statutory requirements of section 115BAA.

4.2 The present case stands on identical footing. The assessee had clearly exercised the option for section 115BAA in the return of income, computed tax accordingly, and thereafter filed the correct Form No. 10-IC albeit belatedly. The omission was a technical defect and does not go to the root of eligibility. Where substantive compliance is evident, procedural lapses must be viewed liberally, particularly when equity and justice demand that beneficial provisions not be denied on account of inadvertent and curable defects. The Hon'ble Supreme Court has repeatedly held that when the purpose and substance of a statutory provision are satisfied, procedural prescriptions, which are directory in nature, must not operate as a fetter on legitimate claims.

4.3 In view of the foregoing and respectfully following the decision of the Co-ordinate Bench in *Mahalaxmi Asphalt Pvt. Ltd.* (supra), we hold that the CPC and the learned CIT(A) were not justified in



denying the assessee's option under section 115BAA solely for failure to file Form No. 10-IC within the prescribed time.

4.4 We accordingly set aside the impugned order and direct the Assessing Officer to accept Form No. 10-IC filed by the assessee, subject to verification of the assessee's compliance with the substantive conditions prescribed under section 115BAA. The ground of appeal of the assessee is allowed for statistical purposes.

5. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 15/12/2025.

**Sd/-
(RAJ KUMAR CHAUHAN)
JUDICIAL MEMBER**

**Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER**

Mumbai;
Dated: 15/12/2025
Rahul Sharma, Sr. P.S.

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,
(Assistant Registrar)
ITAT, Mumbai