

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“B” BENCH, CHANDIGARH**

**PHYSICAL HEARING**

**BEFORE HON'BLE SHRI LALIET KUMAR, JM**  
**AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं. / ITA No.593/CHANDI/2025**  
**(निर्धारण वर्ष / Assessment Year: 2016-17)**

<b>M/s Punjab Municipal Infrastructure Development Company</b> Plot No. 3, 5 <sup>th</sup> Floor Punjab Municipal Bhawan, Chandigarh - 160022	<b>बनाम/ Vs.</b>	<b>DCIT Exemption</b> Circle 1, 5 <sup>th</sup> Floor C. R. Building, Sector – 17E Chandigarh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AAFCP-8185-M</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Sh. Navdeep Monga (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Smt. Meenakshi Vohra (CIT) – Ld. DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	25-02-2026
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	25-02-2026

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2016-17 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC [CIT(A)] dated 25-02-2025 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s 143(3) of the Act on 26-11-2018. Having heard rival submissions, the appeal is disposed-off as under.

2. During assessment proceedings, it was noted by Ld. AO that the assessee accumulated / set apart funds exceeding 15% of the income. However, the assessee did not e-file Form No.10 as required u/s 11(2) r.w. Rule 17. The assessee stated that it filed manual Form on 17-10-2016. However, since the form was not e-filed as required under extant rules, the benefit of accumulation was denied to the assessee.

3. The Ld. CIT(A), in para 5.1 noted that for such condonation / lapses, CBDT had issued Circular No.06/2020 on 19-02-2020 wherein the assessee could seek condonation from appropriate authority u/s 119(2)(b) of the Act. The assessee did not seek any such condonation and therefore, the view of Ld. AO was endorsed. Aggrieved, the assessee is in further appeal before us.

4. The Ld. AR has stated that e-filing of this form was procedural in nature and a manual form was duly filed before culmination of assessment proceedings. It was further stated that the requirement of e-filing arose only w.e.f. 01-04-2016. Accordingly, Ld. AR sought condonation of the delay.

5. Undisputedly, extant rules mandate the assessee to file this form electronically to lay claim on the benefit of accumulation. If the prescribed procedure is not followed and the claim is allowed, the same would make the provisions redundant. Once condonation procedure has been established by CBDT in the stated circular, the assessee should follow the same. To enable the assessee to seek condonation before appropriate authority, we set aside the impugned order and restore the appeal back to the file of Ld. CIT(A) for fresh adjudication in

the light of outcome of condonation petition, if so advised to the assessee. It would be appreciated that a sympathetic view is taken by appropriate authority on the condonation application of the assessee since this is the first year of introduction of new rules.

6. The appeal stand allowed for statistical purposes.

Order pronounced on 25<sup>th</sup> February, 2026.

**-Sd-**  
**(LALIET KUMAR)**  
**JUDICIAL MEMBER**

AS

**-Sd-**  
**(MANOJ KUMAR AGGARWAL)**  
**ACCOUNTANT MEMBER**

Dated: 25-02-2026

**आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT CHANDIGARH