

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA.No.1165/Hyd/2025**

Assessment Year 2023-2024

NTT Managed Services India Private Limited, Hyderabad. Telangana. PIN 500 081 PAN AARCS7517G	vs.	The DCIT, Circle-5(1), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by	-None-	
राजस्व द्वारा/Revenue by :	Sri Mathivanan SA, Sr. AR	
सुनवाई की तारीख/Date of hearing:	02.03.2026	
घोषणा की तारीख/Pronouncement:	04.03.2026	

आदेश / ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

This appeal by the Assessee is directed against the Order dated 30.05.2025 of the learned Addl/JCIT(A)-1, Nashik, for the assessment year 2023-2024.

2. The assessee has raised the following grounds of appeal:

“Ground No.1

The order of the learned Additional Joint Commissioner of Income-tax (Appeals)-1 Nashik, is erroneous in law and on the facts and circumstances of the case.

Ground No.2

The learned Additional / Joint Commissioner of Income-tax (Appeals) erred in confirming the disallowance of deduction claimed under section 80JJAA of the Income-tax Act, 1961('IT Act') amounting to ₹6,91,250/- merely on the ground of alleged delay in filing of Form 10DA, despite the fact that the report was duly uploaded by the Chartered Accountant and was available on record at the time of processing under section 143(1) of the IT Act.

Ground No.3

The learned Additional / Joint Commissioner of Income-tax (Appeals) erred in disregarding the judicial precedents cited by the appellant, including the binding decisions of Hon'ble ITATs and High Courts, which have categorically held that belated filing of the prescribed form/report-where the same is filed before assessment is a procedural lapse that should not defeat a valid claim otherwise eligible under the IT Act.

Ground No.4

The learned Additional / Joint Commissioner of Income-tax (Appeals) erred in relying on the Supreme Court decision in the case of Wipro Ltd. v. PCIT [2022] without appreciating that the said ruling pertained to a completely different factual matrix involving a statutory declaration under section 108(8), which is distinguishable from Form 10DA

required under section 80JJAA of the IT Act. Hence, the reliance placed by the CIT(A) is misplaced and does not apply to the present case.

Ground No.5

The learned Additional / Joint Commissioner of Income-tax (Appeals) erred in not appreciating that all substantive conditions prescribed under section 80JJAA for claiming deduction-such as engagement of new workmen, maintenance of employment conditions, and audit verification-were duly complied with and established by the Form 10DA filed prior to processing of the return.

Ground No.6

The learned Additional / Joint Commissioner of Income-tax (Appeals) failed to apply the principle of purposive interpretation to deduction provisions, and instead adopted a strictly literal approach, thereby defeating the legislative intent of section 80JJAA which seeks to incentivize employment generation.

Ground No.7

The learned Additional / Joint Commissioner of Income-tax (Appeals) failed to appreciate that the Form 10DA was uploaded and made available on the income tax portal before the CPC completed processing of the return under section 143(1), and as such, there was no prejudice caused to the Revenue or failure in compliance with statutory conditions for deduction.

Ground No.8

Any other ground that may be raised during the appellate proceedings with the prior permission from the Hon'ble Tribunal.

The appellant craves leave to add to, amend or modify the above grounds of appeal either before or at the time of hearing of the appeal, if considered necessary.”

3. None appeared on behalf of the assessee when this appeal was called for hearing. It transpires from the record that after filing this appeal nobody has appeared before the Tribunal despite various opportunities and notices issued to the assessee. The notice issued through speed post AD has been received back unserved with the postal remark “addressee left without instruction”. When the assessee is not available at the address given in Form No.36 as well as no response to the notice issued through email to email-ID given in Form-36, then, an inference can be drawn that the assessee is not interested in prosecution of the present appeal. Accordingly, the Bench proposed to hear and dispose of this appeal ex-parte.

4. The solitary issue raised by the assessee in this appeal is regarding disallowance of claim of weighted deduction u/sec.80JJAA Income Tax Act [in short "the Act"], 1961 by the CPC which was upheld by the learned CIT(A).

5. We have heard the learned DR who has relied upon the impugned order of the learned CIT(A) and submitted that the CPC has disallowed the claim of the assessee for deduction u/sec.80JJAA of the Act on the ground that the assessee has not filed the report in Form No.10DA within the due date as prescribed under the provisions and particularly, Rule 19AB of IT Rules, 1962. The learned DR has relied upon the Judgment of Hon'ble Supreme Court in the case of PCIT vs. Wipro Ltd., [2022] 446 ITR 1 (SC). We have gone through the submissions of the assessee before the learned CIT(A) which are reproduced in Para no.6 of the impugned order as under:

“06. SUBMISSION OF THE APPELLANT: *The appellant has submitted written submission in response to the notice dated 26.11.2024, the same is produced as under:-*

The Appellant, with respect to the captioned appeal filed against order passed under section 143(1) of the Income Tax Act, 1961 (IT Act') for Assessment Year 2023-24, submits the following for your good selves' kind consideration:

- 1. The Appellant is a Private Limited Company having PAN number AARCS7517G and is regularly filing its income tax returns, since its inception, duly complying with all the required provisions of the IT Act.*
- 2. The Appellant had filed its return of income (ROI) for the AY 2023-24 on 29.11 2023 vide Ack. No: 533393571291123, declaring a net taxable income of Rs.10,27,64,310/-. While filing the ROI for A. Y. 2023-24, the Appellant had claimed deduction u/s 80JJAA of the IT Act of Rs.6,91,250/-, with respect to the new workmen enrolled in line with the provisions of IT Act.*
- 3. The Appellant had obtained and filed necessary report from a Chartered Accountant (CA) in Form 10DA, on 29.11.2023, in support of its claim of deduction u/s 80JJAA of the IT Act of Rs.6,91,250.*
- 4. The CA report obtained in the Form 10DA was duly filed by the Appellant before the due date of filing of ROI and the Report substantiates the fact that the Assessee qualifies for claiming deduction of Rs.6,91,250/- u/s 80JJAA of the Act.*
- 5. The Central Processing Centre (CPC) while processing the return u/s 143(1) of the IT Act, has not allowed the deductions claimed u/s 80JJAA of the IT Act stating that the Form 10DA was not filed within the due date specified in the IT Act (that is before one month prior to the due date of filing ROI) and thereby passed the order u/s 143(1) of the IT Act with a net tax demand of Rs.1,81,970/-*

6. *The Appellant submits before your good self that one of the basic criteria for claiming education under section 80JJAA of the IT Act is that the amount of deduction claimed should be independently verified by a Chartered Accountant and his report in Form 10DA needs to be obtained and submitted within the timelines stipulated under the IT Act.*
7. *The Appellant has in-fact complied with this basic requirement, wherein the Appellant has obtained a report in Form 10DA from Chartered Accountant, which was independently verified and confirmed to be in line with the provisions of IT Act and the Report was issued accordingly.*
8. *The report from Chartered Accountant, in Form 10DA, was required to be filed on or before 31 October 2023, however, the Appellant has filed it on 29 November 2023. Hence, the same was available on records, at the time of processing of Income tax return under section 143(1) of the IT Act which was passed on 15 May 2024.*
9. *The Appellant, with respect to its rightful claim of deduction u/s 80JJAA of the IT Act, wants to place its reliance on the Hon'ble Ahmedabad ITAT ruling in the case of Akuntha Projects (P.) Limited Vs Deputy Director, CPC [2024] 162 taxmann.com 861 where the facts dealt in the said case are very much identical to the Appellants facts of the case. The Hon'ble Ahmedabad Tribunal held that, where claim of deduction under section 80JJAA of the IT Act had been rejected by CPC for reason that assessee failed to file Form 10DA within prescribed time stipulated under the IT Act, however, where the requisite Audit report in Form 10DA was available with AO before assessment order was framed, **then claim of deduction could not have been denied.***

Brief facts of aforesaid case and ruling is submitted herein below for your goodself kind reference:

Audit report in Form 10DA was obtained for the Assessment year 2022-23, in respect of employment of new workmen. The Chartered Accountant of assessee, though issued the Report in Form 10DA after the timelines provided under the IT Act but has uploaded the same before due date of filing of return of income and the Assessee had accordingly filed its return of income and claimed deduction under section 80JJAA of the IT Act.

The ITR was processed under section 143(1) of the IT Act and claim of deduction under section 80JJAA of IT Act had been rejected by CPC for reason that assessee failed to file Form 10DA within prescribed time provided under the Statute;

The Hon'ble Ahmedabad Tribunal held that it was only because of procedural lapse/mistake on part of assessee that aforesaid Form 10DA could not be filed within the due dates provided under the IT Act. However, since the assessee had duly accepted Form 10DA before return of income was processed by CPC hence the deduction claimed under section 80JJAA of the IT Act should not be denied.

10. *While passing the above ruling the Ahmedabad Tribunal has inter alia made reference to the following rulings:*

Hon'ble Apex court ruling in the cases of CIT v. GM Knitting Industries (P.) Ltd.[2016] 71taxmann.com 35/[2015] 376 ITR 456 wherein it was held that, even though it is necessary to file certificate in Form10CCB along with the

return of income, if the same has not been filed with the return of income, but the same was filed before the final order of assessment was made, the assessee was entitled to claim deduction under section 80-IB.

The Hon'ble Gujarat High Court ruling in the case of Association of Indian Panel board Manufacturer v. CIT [2023] 157 taxmann.com 550, held that although the requirement of furnishing report was mandatory, filing thereof is a procedural aspect. Once, it is seen that the audit report, in Form 108 was available with the Assessing Officer at the time of framing of assessment, even though the same may not have been filed along with the return of income, the assessee is entitled to claim of exemption under section 11(1) and 11(2).

- 11. The Appellant, in view of above, submits before your good self that since report in Form 10DA was filed within the due date of filing return of income and was very much available online, before the processing of income tax return by CPC under section 143(1) of the IT Act the CPC appreciating the above ruling of the Apex court/Tribunal, should have allowed the deduction claimed u/s 80JJAA of Rs 6,91,250/- while processing the ITR u/s 143(1) of the IT Act, since the Assessee satisfied the eligibility criteria as laid down u/s 80JJAA of the IT Act.*
- 12. The Appellant further submits before your good self that where the CPC believes that the report in Form 10DA was not filed within the timelines stipulated under the IT Act, in this context various courts, given similar facts of the case, while analyzing under different provisions of the IT Act, had*

held that, in cases where any applicable Forms/Reports/certificates obtained from CA are not submitted within due date provided under the IT Act. but the claim of deduction/exemption under the respective section was made after fulfilling the conditions mentioned in the respective section, then the claim of such deduction/exemption need not be denied, only for want of procedural lapses/mistakes in filing the requisite Forms/Report/Certificates with in the stipulated due date.

13. *The Appellant, in respect of above, places its reliance on following judicial precedents wherein various courts have held that the deduction/exemption claimed need to be allowed even in cases where there are delays in filing of CA reports, as provided in the respective provisions of IT Act:*

ACIT v. VISHNU EXPORT, IT Appeal no. 1848(AHD) of 2018

The Hon'ble Ahmedabad, Tribunal held as follows:

"Assessee could not be deprived of the benefit available under section 10AA, merely on the ground that the audit report in the form 56F was filed during the assessment proceedings and not with the return of income".

DIC FINE CHEMICALS PVT LTD v. DCIT, CIRCLE-11, KOLKATA, IT appeal no. 2502 (KOL) of 2018

The Hon'ble Kolkata, Tribunal held as follows:

"In the instant case, in the course of assessment the assessee had filed audit report in Form 56F when the revised computation of total income was furnished before the Assessing Officer. Once this fact is not in dispute then

following the ratio laid down in the foregoing judicial precedents, it is to be held that the deduction under section 10AA could not be denied for non-filing of the audit report in Form 56F along with the return of income. The first material objection of the lower authorities denying the claim of deduction under section 10AA therefore fails.

Prayer:

In view of above submission and by placing reliance on the aforementioned decisions/ratios drawn by various courts including the Apex court, the Appellant prays the following for your goodself kind consideration:

i) That the Appellant has fulfilled the basic conditions as provided under the IT Act and is qualified to be eligible for claiming the deduction u/s 80JJAA of the IT Act and it has obtained report in Form 10DA from a Chartered accountant, which is independently verified and reported, to be in line with the provisions of IT Act.

ii) Merely since there was delay in filing of Form 10DA, but the same was very much available on records before processing the income tax return under section 143(1) of the IT Act, the same would not make it ineligible for claiming deduction under section 80JJAA of the IT Act, as held by various courts, as discussed supra;

The Appellant, in view of above submission and by placing reliance on various judicial presents as discussed herein above, humbly request your goodself to direct the CPC to allow the deduction claimed under section 80JJAA of the IT

Act and thereby reverse the impugned tax demand of Rs.1,81,970/-

Be pleased to consider.”

5.1. Thus, the assessee has claimed that the report in Form-10DA was filed and uploaded along with the return of income filed by the assessee and therefore, there is no delay on the part of the assessee in filing the report. However, the CPC has disallowed the claim of the assessee. The learned CIT(A) has considered this issue and made certain factual observations in Para nos.7 and 7.1 as under:

“07. Observations, findings and Decision:-

I have carefully considered the facts of the case and the submission of the appellant. I have perused the intimation order dated 15.05.2024 passed u/s. 143(1) of the Income-tax Act by the CPC Bengaluru for A.Y. 2023-24 as well as the grounds of appeal, statement of facts, and written submission filed by the appellant along with ITR, Audit Report furnished by the appellant. It is noticed that the appellant had claimed deduction u/s 80JJAA of Rs. 6,91,250/-in its return of income. Therefore, the AO CPC had passed intimation order u/s. 143(1) by disallowing deduction of Rs 6,91,250/-with raising demand of Rs 1,81,970/- of the I.T. Act. 1961.

7.1 On going through the return of the appellant, it is noticed that the appellant had filed its return of income and Form 10DA, on 29.11.2023, in support of its claim of deduction u/s 80JJAA of the IT Act of Rs 6,91,250/- of the I.T. Act, 1961. During the processing the return of income u/s. 143(1) of the Act, that the A.O. has not allowed the deductions claimed u/s 80JJAA by the appellant stating that the Form 10DA was not filed within the due date specified in the IT Act and thereby passed the order u/s 143(1) of the IT Act with a net tax demand of Rs. 1,81,970/-. However, the Report in Form 10DA filed by of the appellant on after due date, whereas in this case the order under Section 143 (1) of the Act was passed on 15.05.2024, denying the claim of deduction under Section 80JJA of the Act which means that at the time when the order under Section 143(1) of the Act was passed by the CPC of the I.T. Act, 1961.

(i) As per Rule 19AB of the Income Tax Rules, 1962, it was mandatory for the appellant to file the accountant's report in Form 10DA along with the return of income u/s 139(1) of the Act, failing which deduction u/s 80JJAA will not be admissible in accordance with the provisions of section 80JJAA of the Act. In the instant case, though the form was uploaded by the CA on 29.11.2023 i.e, before the extended due date of filing of return of income, the same does not tantamount to filing of form 10DA as per the IT Rules, 1962. The process of filing of Form 10DA includes both uploading by CA and acceptance by the appellant together and if either of the process is not completed within the stipulated time, the same does not equale with filing of Form 10DA within due date. Under the statute, it was mandatory to file the said Form 10DA within the prescribed time, failing which will make the appellant ineligible for claiming deduction u/s

80JJAA of the Act. Since, in the instant case, the process of filing Form 10DA was completed on 29.11.2023 e. after the extended due date of filing of return of income u/s 139(1), the claim of deduction u/s 80JJAA of the Act is not admissible.

- (ii) *The appellant has failed to file Form 10DA within due date. It is seen that the appellant has filed its return u/s 139(1) and Form 10DA belated i.e. after due date. In this regard, it is pertinent to point out that the appellant files its regular return of income. It is clear that the appellant was duly aware of the entire process of filing of the said Form 10DA. If such disregard is allowed, it will make the governing provisions of the statute redundant and ineffective.*
- (iii) *Further, the Hon'ble Apex court in the case of Principal Commissioner of Income Tax-III, Bangalore and another v. M/s Wipro Limited (Judgment dated 11.07.2022 in the Civil Appeal No. 1449 OF 2022)has applied strict construction to reverse the findings of the Hon'ble High Court ("HC") of Karnataka which had earlier allowed carry forward of such losses. The Hon'ble SC held that the requirement of filing a declaration within a timeline is "mandatory" in nature as per the language of the provision. It reiterated the age-old principle that a taxing statute should be read as it is and held that the exemption/deduction provisions should be "strictly" and "literally" complied with and, therefore, a strict interpretation should be adopted. The Supreme Court has stated as under:*

"In view of the above discussion and for the reasons stated above, we are of the opinion that the High Court has committed a grave error in observing and holding that the requirement of furnishing a declaration under Section 10B(8)

of the IT Act is mandatory, but the time limit within which the declaration is to be filed is not mandatory but is directory. The same is erroneous and contrary to the unambiguous language contained in Section 10B(8) of the IT Act. We hold that for claiming the benefit under Section 10B(8) of the IT Act, the twin conditions of furnishing a declaration before the assessing officer and that too before the due date of filing the original return of income under section 139(1) are to be satisfied and both are mandatorily to be complied with. Accordingly, the question of law is answered in favour of the Revenue and against the assessee. The orders passed by the High Court as well as ITAT taking a contrary view are hereby set aside and it is held that the assessee shall not be entitled to the benefit under Section 10B (8) of the IT Act on non-compliance of the twin conditions as provided under Section 10B (8) of the IT Act, as observed hereinabove.”

It is evident that the appellant had filed the Form 10DA after due date in violation of Rule 19AB of Income Tax Rules, 1962. It is a trite law that if a thing is said to be done in a particular manner, it shall be done in that manner and its performance in any other mode or fashion shall be of no consequence. Therefore, in application of the above decisions of the apex court and also the mandated provisions of the statute, the Assessing Officer has rightly disallowed the deduction claimed and made addition of the same to the total income of the appellant as per the provisions of section 143(1)(a)(ii).

- (iv) *As per provisions of section 80JJA r.w.r. 19AB, the claim of deduction u/s 80JJA is not admissible and under the circumstances the only remedy available, lies in the machinery provisions of the Act rather seeking legal remedy. Such provisions*

are found in section 119(2)(b) which enables an assessee to approach the Board for seeking relief in such cases.

The provisions of section 119(2)(b) are reproduced below:

Section 119:

"Instructions to subordinate authorities.

1. The Board may from time to time...2. Without prejudice to the generality of the foregoing power. (b) the Board may, if it considers it desirable or expedient so to do for avoiding genuine hardship in any case or class, by general or special order. authorize (any income tax authority, not being a JCIT(A) or [***] Commissioner (Appeals) to admit an application or claim for any exemption, deduction, refund, or any other relief under this Act after expiry of the period specified by or under this Act for making such application or claim and deal with the same on merits in accordance with law. "From the above, it is clear that the first appellate authorities have not been entrusted with powers of condoning delay in such cases. The intention of legislature with respect to such cases is very clear that the remedy in such situation lies in the section 119 of the Act.

(v) Further, at this juncture, it would not be irrelevant to discuss the decision of the Hon'ble Apex Court in the case of *CC v. Dilip Kumar & Company (2018) 95 taxmann.com 327/69 GST 239*, wherein the Hon'ble Court has laid down following principles:

1. Exemption notification/provisions should be interpreted strictly, the burden of proving applicability would be on the assessee to show that his case comes within the parameters of exemption clause or exemption notification.

1. In case of ambiguity in a charging provision, the benefit must necessarily go in favour of subject/assessee but the same is not true for an exemption notification wherein the benefit of ambiguity must be strictly interpreted in favour of the revenue/ state.

From the principle laid down by the Hon'ble Apex Court in the above case, it is amply clear that the provisions of exemption as well as deduction provided in the Statute are to be interpreted strictly and onus always lies with the claimer to substantiate that there is no violation of governing provisions while claiming exemption/deduction as per the law. By following the ratio laid down by the Hon'ble Apex Court in the case of Dilip Kumar, it is clear that the onus was on the appellant to substantiate that the claim of deduction was admissible in accordance with the governing provisions of the Act. However, it is clear that in the instant case, there is clear violation of provisions of section 80JJAArwr 19AB therefore, the claim of deduction is also not admissible in the light of the provision of section 80JJAA and in view of the decision of Apex Court in the case of Dilip Kumar.

In the decision in the case of State of Uttar Pradesh v. Singhara Singh AIR 1964 SC 358 & Chandra Kishore Jha v. Mahavir Prasad [1999] 8 SCC 266, it has been held that "if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner"

Further in the case of Commissioner of Income-tax v. Shivanand Electronics 209 ITR 63 (Bombay HC) it has been held by Hon'ble Court that "When the Legislature casts a duty on the assessee claiming certain benefit, to comply with requirements which are associated with such benefit, the assessee cannot get the benefit without doing his part of the duty. He cannot be allowed to say

that it was for the ITO to ask him to do so. If the assessee does not do his part of the statutory duty, the ITO may proceed to decide the allowability or otherwise of the relief on the basis of the facts and material available before him."

In view of the above, I am of the considered opinion that the AO CPC has rightly disallowed the claim of deduction u/s 80JJAA as the Form 10DA was not filed within prescribed time. Accordingly, this ground of appeal is dismissed."

5.2. Thus, in sub-para-(i) of Para-7.1 the learned CIT(A) has stated that the report was uploaded by the C.A. on 29.11.2023 i.e., before the extended due date of filing the return of income but the same was not considered as compliance of filing Form-10DA as per the I.T. Rules, 1962 as the assessee has not verified the said report before the due date of filing the same. The learned CIT(A) one hand has accepted the report uploaded by the C.A. on 29.11.2023 as before the extended due date whereas on the other hand stated that the process of filing Form 10DA was completed on 29.11.2023 which is after the extended due date. Therefore, there are some contradictory observations/statements made by learned CIT(A) in the impugned order. Accordingly, in the facts and circumstances of the case, when the fact of

uploading the report in Form-10DA before the extended due date of filing the return of income is not in dispute then, the non-verification on the part of the assessee is a procedural non-compliance/lapse on the part of the assessee. Since this matter was not examined by the Assessing Officer but the claim of the assessee was disallowed by the CPC while processing the return of income, therefore, in the facts and circumstances of the case, the impugned order of the learned CIT(A) is set aside and the matter is remanded to the record of the Assessing Officer for verification of the relevant facts and then adjudication of the issue as per law, after giving proper opportunity of hearing to the assessee, before passing the fresh order.

6. In the result, appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open Court on 04.03.2026.

Sd/-
[MADHUSUDAN SAWDIA]
ACCOUNTANT MEMBER
Hyderabad, Dated 04th March, 2026
VBP

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Copy to:

1.	NTT Managed Services India Private Limited, 12 th Floor, Plot No.A1 83/1, Western Dallas Centre, Knowledge City, Raidurg, Gachibowli, Hyderabad. PIN 500 081 Telangana.
2.	The DCIT, Circle-5(1), IT Towers, Hyderabad-500057. Telangana.
3.	The Pr. CIT, Hyderabad.
4.	The DR, ITAT, "A" Bench, Hyderabad.
5.	Guard file.

BY ORDER