



**HIGH COURT OF JUDICATURE FOR RAJASTHAN AT
JODHPUR**

D.B. Civil Writ Petition No. 4556/2026

M/s Kanoria Energy And Infrastructure Limited, (Formerly Known As M/s A Infrastructure Limited) A Company Incorporated Under The Companies Act, 1956 Having Its Registered Office At 1, Hamirgarh, Bhilwra, Rajasthan - 311001 Through Its Authorised Signatory Kamlesh Kumar Somani S/o Prahlad Raj Somani, Aged About 38 Years, R/o Gyanji Ka Chowk, Ward No. 18, Gangapur, Bhilwara, Rajasthan - 311801.

-----Petitioner

Versus

1. Chief Commissioner Of Income Tax (Ccit), 4Th Floor, Aaykar Bhawan, Subcity Centre, Udaipur -313001.
2. Income Tax Officer, Ward-1, Bhilwara, Rajasthan.
3. Central Board Of Direct Taxes (Cbdt), Through Its Chairman, North Block, New Delhi - 110001.

-----Respondents

For Petitioner(s) : Mr. Sharad Kothari
Mr. Priyansh Arora
For Respondent(s) : Mr. KK Bissa

**HON'BLE MR. JUSTICE ARUN MONGA
HON'BLE MR. JUSTICE MAHENDAR KUMAR GOYAL**

Order(Oral)

Reportable

04/05/2026

Per: Arun Monga, J.

1. The petitioner challenges the order dated 22.12.2025 vide which his application seeking condonation of delay in filing Form No. 10-IC for AY 2020-21, under Section 119(2)(b) of the Income Tax Act, 1961 was rejected.
2. Succinctly speaking brief facts of the case are the petitioner is a domestic company incorporated under the Companies Act, 1956/2013,



engaged in the manufacture of asbestos cement pressure pipes and asbestos cement corrugated roofing sheets. It was earlier known as M/s A Infrastructure Limited and is presently known as M/s Kanoria Energy & Infrastructure Limited. The petitioner is regularly assessed under the Income Tax Act, 1961 and has been duly filing its returns of income. For the Assessment Year 2020-21, the petitioner filed its return of income in Form ITR-6 on 09.01.2021 within the extended due date, declaring total income of ₹5,21,66,960/- and opted for taxation under Section 115BAA of the Act at the concessional rate of 22%.

2.1 The Centralised Processing Centre, while processing the return under Section 143(1), recomputed the income and applied the normal rate of tax instead of the concessional rate under Section 115BAA, resulting in a demand. The petitioner challenged the intimation before the National Faceless Appeal Centre, which accepted that the petitioner had exercised the option under Section 115BAA and directed the Assessing Officer to apply the concessional rate. However, in further appellate proceedings before the Income Tax Appellate Tribunal, the matter was remanded to the Assessing Officer for fresh adjudication of legal issues without disturbing the finding regarding the petitioner's option under Section 115BAA.

2.2 During the remand proceedings, the Assessing Officer raised an objection regarding non-filing of Form No. 10-IC. The petitioner, under the belief that exercise of option in the return was sufficient compliance and in view of the appellate findings, filed Form No. 10-IC on 30.01.2023 along with explanations stating that the lapse was procedural and bona fide. The Assessing Officer, however, did not consider the said Form and denied the benefit of Section 115BAA, leading to a consequential demand raised under Section 156.





2.3 Subsequently, the petitioner sought condonation of delay under Section 119(2)(b) in light of CBDT Circular No. 17/2024. The application was rejected by the Chief Commissioner of Income Tax by order dated 22.12.2025 on the ground of delay beyond the prescribed period and absence of sufficient justification.

2.4. Hence, the instant writ petition.

3. Learned counsel for the petitioner submits that the impugned order dated 22.12.2025 under Section 119(2)(b) is vitiated by non-application of mind, as it fails to consider material facts on record, including the filing of Form No. 10-IC on 30.01.2023 during remand proceedings. The omission to even refer to such filing renders the decision arbitrary. It is further contended that the order disregards binding appellate findings wherein the applicability of Section 115BAA had already been accepted and attained finality, and could not have been reopened.

3.1. It is submitted that the authority proceeds on an erroneous assumption that the petitioner never exercised the option under Section 115BAA, despite the petitioner having declared income at the concessional rate and fulfilled all substantive conditions. Filing of Form No. 10-IC, at best, is procedural, and its submission during the pendency of proceedings constitutes sufficient compliance. In the absence of any statutory consequence for delayed filing, denial of the benefit is impermissible.

3.2. Learned counsel contends that Section 119(2)(b) is a beneficial provision requiring liberal construction, but has been applied rigidly by misreading CBDT Circular No. 17/2024 as a limitation bar. The petitioner acted bona fide and filed the form promptly upon objection. Reliance is placed on the judgment of the Delhi High Court in **A.C.**





Surgipharma Private Ltd. vs. Deputy Commissioner of Income Tax¹, in support of his argument.

3.3. Lastly, learned counsel for the petitioner would submit that, aside all above, as far as the limitation/time period is concerned, it is admitted position of the department that the petitioner had though furnished the information within the prescribed limits, but the same was submitted at the local jurisdictional office, i.e., the Income Tax Office, Ward 1, Bhilwara, as advised, instead of being furnished at the head office to the Chief Commissioner, Udaipur. The application for condonation was filed as an abundant caution and same has been completely misconstrued by the department while rejecting it vide impugned order, is the argument in the alterative.

4. Per contra, learned counsel for the respondent submits that the petitioner failed to exercise the option under Section 115BAA of the Act in the prescribed manner. As per Rule 21AE, the option is required to be exercised by filing Form No. 10-IC on or before the due date specified under Section 139(1) of the Act. It is contended that Section 115BAA(5) clearly mandates that the benefit of the concessional tax regime shall not apply unless such option is exercised within the prescribed time and in the prescribed form.

4.1. It is further submitted that, in the present case, the petitioner admittedly filed Form No. 10-IC on 30.01.2023, i.e., beyond the due date stipulated under the Act. Since the requirement of timely filing of the prescribed form is mandatory and not merely procedural, the petitioner is not entitled to the benefit of Section 115BAA for the relevant assessment year, and the action of the department in applying the normal rate of tax is fully justified in law.

1. W.P (C)17057/2022.





5. Heard learned counsels for the both the parties and perused the material available on the record.

6. Before proceeding further, we would like to quote relevant portion of the impugned order dated 22.12.2025, which is reproduced hereinbelow:-

“B. The provisions w.r.t the impugned matter:-

(i) The CBDT, issued Circular No. 17/2024 Dated 18th November 2024 in F. No. 173/32/2022-ITA-I on the Subject "Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10-IC or Form No. 10-ID for Assessment Years 2020-21, 2021-22 and 2022-23."

(ii) The relevant Para of the said Circular is reproduced as below:

"4. The Pro CCsITI CCsITI DSGITI Pro CsITI CsIT while deciding such applications for condonation of delay in furnishing of Form No. IO-IC or Form No. IO-ID to exercise the option, under section 115BAA of the Act read with Rule 21AE of the Rules or under section 115BAB of the Act read with Rule 21AF of the Rules, shall satisfy themselves that the applicant's case is a fit case for condonation under the existing provisions of the Act. The Pro CCSITI CCSITI DSGITI Pro CsITI CSIT shall ensure that the following conditions are satisfied, while deciding such applications:-

(i) The return of income for relevant assessment year has been filed on or before the due date specified under section 139(1) of the Act;

(ii) The assessee has opted for taxation, u/s 115BAA of the Act in case condonation of delay is for Form No. IO-IC and u/s 115BAB of the Act in case condonation of delay is for Form No. IO-ID, in "Filing Status" in "Part A-GEN" of the Form of Return of Income ITR-6; and

(iii) The assessee was prevented by reasonable cause from filing such Form before the expiry of the time allowed and the case is of genuine hardship on merits.

5. No application for condonation of delay in filing of Form No. 10-IC or Form No. IO-ID shall be entertained beyond three years from the end of the assessment year for which such application is made. The time limit for filing of such application within three years from the end of the assessment year will be applicable for application filed on or after the date of issue of this Circular. A condonation application should be disposed of, as far as possible, within six months from the end of the month in which such application is received by the Competent Authority."

2. Therefore, considering the impugned application, the reply(ies) filed by the assessee in compliance to the Notice(s)/Letter(s) so issued in the matter, the report of the Jurisdictional Assessing Officer, that of the Range Head and the Pr. CIT, the overall facts and circumstances of the case and material available on record vis-à-vis the provisions contained in Circular No. 17/2024, as categorically mentioned above, it may be unambiguously said that the assessee was required to submit application for Condonation of delay in filing Form No. 10IC for A.Y. 2020-21 on or before 31.03.2024, whereas, the assessee has filed application on 28/12/2024 (received in the Office of the undersigned on 03/01/2025) i.e. after the prescribed time period as allowed under the said Circular No. 17/2024 dated 18.11.2024. Therefore, the case of the assessee is found not fit for





condonation of delay in filing Form No. 10IC for the AY 2020-21 on the issue of maintainability. Hence, deserves rejection.”

7. Having seen the impugned order, in order to determine its legality, at the very outset, let us first see the chronology of dates and events which we have culled out from the factual part of impugned order itself in a tabular form as below:-

Date	Event
09.01.2021	Assessee filed ITR for AY 2020-21 declaring total income of Rs. 5,21,66,960/-, claiming taxation under Section 115BAA @ 22%, but without filing Form 10-IC.
18.12.2021	ITR processed u/s 143(1) by CPC; total income determined at Rs. 5,70,11,740/-; tax charged at normal rate instead of special rate u/s 115BAA.
18.10.2022	CIT(A) dismissed both original grounds of appeal but admitted additional legal ground regarding wrong computation of tax; directed AO to compute tax at applicable rates.
27.01.2023	AO issued notice/letter to assessee providing opportunity of hearing while giving appeal effect to CIT(A) order.
30.01.2023	Assessee replied submitting that Form 10-IC could not be filed by oversight and requested its acceptance.
Post 30.01.2023	AO passed Appeal Effect Order u/s 250; rejected assessee's reply holding that Form 10-IC was not filed on or before the due date as mandated u/s 115BAA(5), and accordingly upheld taxation at general rate.
31.03.2024	Last date for filing condonation application for AY 2020-21 as per Circular No. 17/2024 (three years from end of AY 2020-21 i.e. end of 31.03.2021).
18.11.2024	CBDT issued Circular No. 17/2024 prescribing conditions and time limits for condonation of delay in filing Form 10-IC / Form 10-ID for AYs 2020-21, 2021-22 and 2022-23.
28.12.2024	Assessee filed application for condonation of delay u/s 119(2)(b) in filing Form 10-IC for AY 2020-21, invoking Circular No. 17/2024.
03.01.2025	Condonation application received in the office of the competent authority.
Disposal	Application rejected as not maintainable — having been filed after the prescribed limit of 31.03.2024 stipulated under Circular No. 17/2024, the case was held not fit for condonation.

8. In light of the above chronology, original CBDT Circular No.19/2023 dated 23.10.2023 (later clarified/superseded on 18.11.2024, as also





reproduced in the impugned order) be now seen. Paragraph 3 thereof being apposite is extracted here in below:-

“3. On consideration of the matter, with a view to avoid genuine hardship to the domestic companies in exercising the option u/s 115BAA of the Act, CBDT in exercise of the powers conferred under section 119(2)(b) of the Act, hereby directs that: -

The delay in filing of Form No. 10-IC as per Rule 21AE of the Rules for previous year relevant to A.Y. 2021-22 is condoned in cases where the following conditions are satisfied:

(i) The return of income for relevant assessment year has been filed on or before the due date specified under section 139(1) of the Act;

*(ii) The assessee company has opted for taxation u/s 115BAA of the Act in item (e) of "Filing Status" in "Part A-GEN" of the Form of Return of Income ITR-6;
and*

(iii) Form No. 10-IC is filed electronically on or before 31.01.2024 or 3 months from the end of the month in which this Circular is issued, whichever is later.”

9. A bare perusal of the circular, *ibid*, reveals that the significance of CBDT Circular No. 19/2023 dated 23.10.2023 in the context of the above chronology is important. Circular was issued on 23.10.2023 and it envisaged condonation of the delay in filing Form 10-IC for AY 2021-22 subject to three conditions i.e. (i) timely filing of return; (ii) option exercised in ITR-6, and (iii) Form 10-IC filed electronically on or before 31.01.2024 or three months from the end of the month of issue of the Circular, whichever is later.

10. The assessee petitioner had substantively and unambiguously exercised the option under Section 115BAA at the very threshold, by indicating the same in "Filing Status" in "Part A-GEN" of ITR-6 filed on 09.01.2021, which is on or before the due date u/s 139(1). The only lapse was the non-filing of Form 10-IC, which, in this case appears to be a procedural/mechanical requirement under Rule 21AE, not a substantive condition going to the root of the option itself. Concededly, Form 10-IC was later Filed on 30.01.2023 i.e. within permissible period as per Circular No. 17/2024.





11. Now, examining later Circular No. 17/2024 dated 18.11.2024, the three conditions prescribed thereunder position of the petitioner/assessee are tabulated as under:

Condition	Assessee's Position
Return filed on or before due date u/s 139(1)	Satisfied — ITR filed on 09.01.2021
Option for 115BAA exercised in Filing Status in Part A-GEN of ITR-6	Satisfied — option was exercised at the time of filing ITR
Assessee prevented by reasonable cause from filing Form 10-IC	Satisfied — oversight/mistake, acknowledged before AO on 30.01.2023

12. To be noted, and which is a crucial fact, Form 10-IC was actually filed on 30.01.2023, which is well within three years from the end of AY 2020-21, the cut-off being 31.03.2024. Therefore, even applying the time limit under Circular No. 17/2024 strictly, the assessee's Form 10-IC stands filed within the prescribed period.

13. The impugned rejection order proceeds on the premise that the condonation application was filed on 28.12.2024, which is beyond 31.03.2024. However, this reasoning conflates two distinct acts i.e.

a). The submission of Form 10-IC itself — which occurred on 30.01.2023, well within time;

and

b). The submission of the formal condonation application — which was filed on 28.12.2024.

Circular No. 17/2024 read with Circular No. 19/2023 contemplates condonation of delay in filing of Form 10-IC, not delay in filing the condonation application as a standalone procedural exercise divorced from the underlying act. Since the Form itself was filed on 30.01.2023 and was duly placed before and considered by the AO while passing the Appeal Effect Order, the substantive requirement stood fulfilled long before the cut-off of 31.03.2024.





14. Though counsel for the petitioner has argued that the settled principle of law is that a procedural or directory requirement cannot be elevated to defeat substantive compliance that is otherwise beyond doubt, but be that as it may, arguendo, assuming that the requirement is/was mandatory, even then it is borne out that compliance thereof was duly carried out within the prescribed time limits as envisaged in the CBDT Circulars, *ibid*. Where the intent and substance of an option or claim is clearly established from the return itself, a mere procedural omission, as is the case in hand, same ought not to be visited with penal consequences of denial of the beneficial provision.

15. There is another aspect of the matter, which is, the assessee acknowledged the omission at the earliest opportunity, in its reply dated 30.01.2023 before the AO during Appeal Effect proceedings, and simultaneously filed Form 10-IC. This demonstrates both bona fides and genuine hardship, which are precisely the considerations Circular No. 17/2024 mandates the authority to examine. Rejecting the application on the ground of maintainability alone, without examining the merits of genuine hardship, is therefore an abdication of the authority's jurisdiction under the Circular.

16. Taking wholesome view of the matter, we are thus of the opinion that the assessee is entitled to the benefit of Circular No. 17/2024 for the following cumulative reasons:-

- 16.1. all three substantive conditions of the Circular stand satisfied;
- 16.2. Form 10-IC was actually filed on 30.01.2023, which is within the three-year window from the end of AY 2020-21;
- 16.3. the rejection on grounds of maintainability is legally unsustainable since it conflates the date of filing of Form 10-IC with the date of the formal condonation application;

and





16.4. the option under Section 115BAA was unambiguously exercised in the ITR itself, leaving no doubt as to the assessee's intent.

17. Therefore, to deny the benefit in these circumstances would be to allow a procedural technicality to defeat a substantive and clearly established right, a result that is contrary to both the letter and spirit of the CBDT Circulars and the settled canons of statutory interpretation.

18. As an upshot of the discussion above, the writ petition is allowed. The impugned order dated 22.12. 2025 is set aside. The delay in filing the declaration and Form 10-IC is condoned. The matter is remanded to the competent authority for a fresh decision on its merits. It is made clear that now the authority shall not consider the issue of delay or limitation while deciding the matter.

19. All pending application(s) including stay petition stand disposed of.

(MAHENDAR KUMAR GOYAL),J

(ARUN MONGA),J

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