

**CBDT condones the delay in filing form 10-IC for domestic companies**

Section 115BAA of the Income-tax Act 1961 (Act) allows domestic companies to opt for concessional rates of taxation for the previous year (PY) relevant to the assessment year (AY) 2020-21 and onwards subject to certain conditions.

For AY 2020-21 and onwards, domestic companies have an option to go for concessional rate of tax as under:

- a. Tax rate @ 22% which effectively comes to 25.16% after considering the surcharge and cess (as compared to a minimum of 27.82% normally)
- b. No minimum alternate tax (MAT) will be levied
- c. No additional accelerated depreciation, chapter VI-A deductions, research and development expenses will be allowed in computing the profits.
- d. The option once exercised for any PY, must be exercised for all the subsequent years too.
- e. The company opting for the concessional tax rate must furnish Form no. 10-IC electronically either under digital signature (of its principal officer) or through electronic verification code on or before the due date of filing its income-tax return (ITR).

Failure to furnish Form no. 10-IC results in denial of the concessional tax rate.

However, CBDT received various representations from the taxpayers about their inability to file form 10-IC along with the ITR. Considering the genuine hardships on the assesses, CBDT has now condoned the delay subject to the following conditions:

1. The return of income for AY 2020-21 has been filed on/before the due date specified in section 139 (1);
2. The assessee company has opted for taxation under section 115BAA of the Act in (e) of "Filing Status" in " Part A-GEN" of the Form of Return of Income ITR-6 and
3. Form 10-IC is filed electronically on or before 30 June 2022 or 3 months from the end of the month in which this circular is issued, whichever is later.

**Weblink**

<https://www.incometax.gov.in/iec/foportal/sites/default/files/2022-03/Click%20Here.pdf>

**Therefore**

The condonation of delay in filing form 10-IC for the AY 2020-21 will enable the assesses to opt for the concessional regime if such an option was indicated in their AY 2020-21 ITR. The assessment orders, if any, at normal rates of tax issued for the said periods will automatically stand withdrawn, and the assesses will have three more months to file Form no. 10-IC.