

To opt for Concessional Tax rate Form 10-1C has to be filed within the due date: ITAT Mumbai

Bholanath Precision Engineering Pvt. Ltd. (ITA No.1997/Mum./2022)

1. Assessee filed the Income Tax Return taking benefit of Sec 115BAA of the Income Tax Act, entitling it to apply the concessional rate of tax @22%. However Form 10- 1C was not filed by the due date for claiming the concessional tax rate.
2. The Assessee claimed that Form 10–IC was not getting submitted on the Department website for reasons beyond assessee’s control. It also submitted that the assessee has approached CBDT for condonation of delay.
3. The AO passed an order by computing the tax liability of the assessee @ 30%.

ITAT Mumbai held as under:

1. Companies will have to exercise the option to charge concessional tax in the prescribed manner on or before the due date specified under section 139(1) for furnishing the return of income for any previous year relevant to the assessment year commencing on or after 1st day of April 2020.
2. As per Rule 21AE of the Income Tax Rules, 1962, such option can be exercised by the domestic company in Form 10-IC in the manner prescribed under the said Rules.
3. It is undisputed that for the relevant assessment year the due date for filing the return of income was extended to 15/02/2021, and the return of income was filed by the assessee on 15/01/2021. However, the assessee did not file Form 10–IC before the due date of filing the return of income, i.e. 15/02/2021, in the present case, which is mandatory condition for claiming the option available under section 115BAA of the Act.
4. The appeal of the assessee is dismissed.