



DIRECT TAXES PROFESSIONALS' ASSOCIATION

(Registered under Societies Registration Act, 1961. Registration No. S/60583 of 1988-89)

Ref. No. DTPA/Rep/20-21/20

Date: 19th April, 2021

To,
Shri P. C. Mody,
Chairman, Central Board of Direct Taxes
Government of India,
North Block,
New Delhi - 110001

Respected Sir,

Sub: **Representation with regard to application of old tax rates due to filing form 10 IC after submitting ITR but before due date filing ITR as per provisions of section 115BAA**

Section 115BAA was inserted in the Income Tax Act, 1961 to give benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay Tax at a rate of 22% plus Surcharge of 10% and Cess of 4%. The Effective Tax rate being 25.17% from the FY 2019-20 (AY 2020-21) and onwards if such domestic companies adhere to certain conditions specified.

As per sub-section 5 of section 115BAA, such companies had to exercise this option of being taxed under the section 115BAA **on or before the due date of filing income tax returns** i.e usually 30th September of the assessment year. For the AY 2020-21, the due date was extended to 15th February 2021. Another condition is that the company opts for section 115BAA in a particular financial year, it cannot be withdrawn subsequently. The option should be in Form 10-IC, as notified by the CBDT. The form should be submitted online under a digital signature or under an electronic verification

code. Therefore, It is clear from provision of section 115BAA that Form 10-IC has to be filed before due date and not before filing the Return of Income.

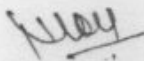
In line with the provisions announced, many assessee submitted Form 10-IC after filing the Return but before the due date of filing Return. Now while processing the returns, CPC is charging tax rate @25% + 4% Cess instead of 22%+10% surcharge +4% cess and it appears that they are not considering the filing Form 10-IC after the filing of Returns.

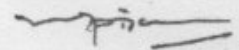
Under this situation most of the Assesseees are hit by this delay in submitting Form 10IC, which in fact is not a delay as per the provisions of the section.

May we therefore request you to issue **necessary clarification on this issue** and even if the spirit be to file form before the ITR , we request you to relax the situation at least for AY 2020-21 so that there is no default on a mass level .

Yours Faithfully,

Thanking you,
Yours faithfully,


CANK Goyal
President


Adv Narayan Jain
Chairman- Representation Committee

CC to:

- 1 **Mrs. Nirmala Sitharaman,**
Hon'ble Finance Minister,
Ministry of Finance,
Government of India,
- 2 **Shri Anurag Singh Thakur**
The Hon'ble Minister of State for Finance