

NDA UPDATE – Condonation of delay in case of filing of Form 10-IC for A.Y. 2021-22

CBDT has issued a circular on 23-10-2023 (circular No 19) providing relief to those domestic companies which have opted for lower rate of tax of 22% under Section 115BAA while filing tax return for AY 2021-22 but the benefit of this lower rate was denied as Form no 10-IC could not be filed within the due date resulting in levy of tax at higher rate.

This relief has been providing by way of condonation of delay subject to the following three conditions:

- The ITR was filed on or before the due date specified in Section 139(1),
- The Assessee Company has opted for taxation under Section 115BAA in item (e) of "Filing Status" in "Part A-GEN" of ITR-6 while filing the ITR; and
- Form 10-IC is e-filed on or before January 31, 2024.

It will be a big relief for all such companies which despite having opted for taxation under Section 115BAA in the ITR were being subjected to a higher rate of tax due to a procedural non-compliance of not filing the Form 10-IC. Such companies now need to ensure to e-file the form 10-IC for AY 2021-22 before 31st January, 2024 in order to avail benefit of lower rate of tax of 22%.

<https://incometaxindia.gov.in/communications/circular/circular-no-19-2023.pdf>