

आयकर अपीलीय अधिकरण “ए” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH, CHENNAI

मजनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य एवं
मजनीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।
BEFORE HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM
AND HON’BLE SHRI MANU KUMAR GIRI, JM

आयकर अपील सं. ITA No.2103/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2020-21)

Hydraguard International Pvt. Ltd. #86, Polyhose Towers, 8 th floor, Western Ring, Mount Road, Guindy, Chennai-600 032.	बनाम/ Vs.	ITO Corporate Ward-2(3) Chennai.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AADCP-7219-C		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri S.M. Khaja Muyeenuddin (CA)– Ld.AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Shri AR.V. Sreenivasan(Addl.CIT)-Ld. Sr.DR

सुनवाईकी तारीख/Date of Hearing	:	07-11-2024
घोषणाकी तारीख /Date of Pronouncement	:	07-11-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. In this appeal, the assessee seeks application of correct rate of tax. The impugned order has been passed by learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] on 07-06-2024 in the matter of an intimation issued by CPC u/s 143(1) on 18-12-2021.
2. Upon perusal of impugned order, it could be seen that in its return of income for Assessment Year (AY) 2020-21, the assessee opted for taxation in terms of Sec.115BAA @22%. The assessee declared income

of Rs.130.23 Lacs on turnover of Rs.12.20 Crores. However, the assessee missed to file the requisite form 10-IC in support of the same. Accordingly, CPC computed tax @30% and raised demand against the assessee. Aggrieved, the assessee preferred further appeal.

3. During first appeal, the assessee, in the alternative, stated that tax rate should be applied @25% since the turnover of the assessee for previous year 2017-18 was less than 400 Crores. The CPC should have allowed the benefit of reduced rates of tax @25% as applicable to such domestic companies. The Ld. CIT(A) held that since the assessee did not file mandatory Form No.10-IC, the concessional rate was rightly denied to the assessee. On the alternative claim, it was held that if the assessee wants to claim the benefit of Sec.115BA, then it has to fulfill specific conditions and opt for this rate by filing Form 10-IB. In the absence of such compliance, the concessional rate could not be granted to the assessee. Accordingly the appeal was dismissed against which the assessee is in further appeal before us.

4. The Ld. AR has stated that the assessee has not fulfilled the conditions of Sec.115BAA. However, the alternative claim as made by the assessee is not u/s 115BA but the assessee merely seek application of correct general rate of tax as applicable to all domestic companies whose turnover in previous year (PY) 2016-17 was less than Rs.250 Crores. For the same, Ld. AR has drawn our attention to tax rates prescribed by Finance Act, 2019. The Ld. AR has stated that since the turnover in PY 2016-17 was Rs.2.07 Crores, the applicable rate would be 25%. This rate is applicable irrespective of applicability of Sec.115BA / 115BAA or any other section. The concessional rate of tax as prescribed by Finance Act, 2019 is applicable to domestic company

based on the turnover threshold without having to fulfill any other conditions whatsoever. In support of turnover for PY 2016-17, Ld. AR has placed on record relevant financial statements.

5. We find substance in the alternative claim of the assessee. The general rate of tax for domestic companies having turnover of less than Rs.250 Crores in PY 2016-17 is 25%. No other condition has been prescribed. Undisputedly, the assessee's turnover in PY 2016-17 is less than the prescribed threshold limit. Therefore, we direct Ld. AO to apply concessional rate of 25% and applicable surcharge & cess and revise the demand as raised against the assessee.

6. The appeal stand allowed.

Order pronounced on 07th November, 2024.

Sd/- (MANU KUMAR GIRI) न्यायिक सदस्य / JUDICIAL MEMBER	Sd/- (MANOJ KUMAR AGGARWAL) लेखक सदस्य / ACCOUNTANT MEMBER
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चेन्नई Chennai; दिनांक Dated :07-11-2024
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आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Chennai.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF