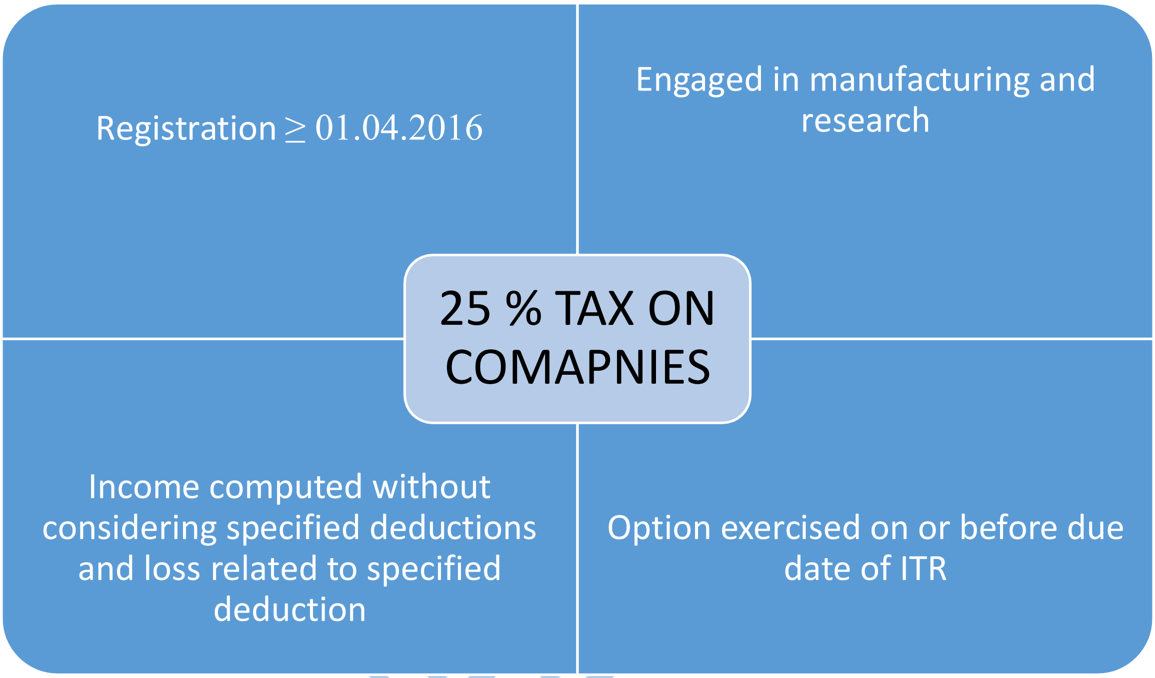
CORPORATES TAXABLE AT THE RATE OF 25%

SECTION 115 BA

Diagrammatic:



Detailed:

Companies are required to pay tax @ 25 % instead of 30 % on the total income excluding income of section 111A & 112.

Conditions: company

1. Set up and registered ≥ 1^{st} April 2016 **AND**
2. Engaged in
   - Manufacture of article or thing **AND**
   - Research or distribution of article or thing manufactured **AND**
3. Total income computed without
   - Specified Deduction
   - Set off of loss attributable to loss related to Specified deduction

   And depreciation is determined in prescribed manner.

4. Assessee is required to exercise an option before due date of return.
5. Option once exercised shall not be withdrawn in future.

Specified deduction:

- Section 10AA
- Section 32(1)(iia)
- Section 32AC
- Section 32 AD
- Section 33AB
- Section 33ABA
- Section 352AA(1)(ii),(iia)&(iii)
- Section 35(2AB)
- Section 35 AC
- Section 35 AD
- Section 35 CCC
- Section 35 CCD
- Chapter VI-A under heading C-Deductions other than 80JJAA

RULE 21 DA OF INCOME TAX RULES

Notification no. 36/2017

"21AD. Exercise of option under sub-section (4) of section 115BA.

(1) The option to be exercised in accordance with the provisions of sub-section (4) of section 115BA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall be in Form No. 10-IB.

(2) The option in Form No. 10-IB referred to in sub-rule (1) shall be furnished electronically either under digital signature or electronic verification code. 4 THE GAZETTE OF INDIA: EXTRAORDINARY [PART II—SEC. 3(ii)]

(3) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall-

(i) specify the procedure for filing of Form referred to in sub-rule (2);

(ii) specify the data structure, standards and manner of generation of electronic verification code, referred to in sub-rule(2), for purpose of verification of the person furnishing the form referred to in the said sub- rule; and

(iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to Form so furnished.";

In the principal rules, after Form No. 10-IA, the following Form shall be inserted, namely:-

"FORM No. 10-IB [See sub-rule (1) of rule 21AD]

Application for exercise of option under sub-section (4) of section 115BA of the Income - tax Act, 1961

To, The Assessing Officer

…………………………..

Sir/Madam,

I, ………………………………., on behalf of [name and registered address of the company exercising the option under sub-section (4) of section 115BA] ……….……………………………………………………… having Permanent Account Number (PAN)……………………………….. do hereby exercise the option referred to in sub-section (4) of section 115BA of the Income-tax Act, 1961 (the Act) for previous year 20…-…… and subsequent years.

2. The details of the company is given below

(i) Name of the Company exercising the option: under sub-section (4) of section 115BA:

(ii) Whether it is a Domestic company or not:

(iii) PAN:

(iv) Registered Address:

(v) Date of Incorporation:

(vi) Nature of business or activities of the: Company

3. I understand that the above option once exercised for any previous year, cannot be subsequently withdrawn for the same or any other previous year.

4. I do hereby further affirm that the conditions stipulated in section 115BA of the Act are and shall be satisfied by the aforesaid company.

Place:

Date:

Yours faithfully,

Signature of Principal Officer…………….……………….
Name…………………………………

Designation………………………….

Address……………………….………

Note 1:

1. This option form should be signed by the principal officer."