

of new asset - cost of old asset

➤ Section 13(1) : Section 11 and 12 not to apply

If amount is used for

- Private religious purpose
- Benefit of specifies persons
- Benefit of particular religion/caste
- Not invested as per 11(5)

Share of public sector co. and share of depository can also be purchased and considered as invested as per section 11(5).

➤ Section 13(9) : Denial of exemption if return of income is not furnished within due date of filing of return.

Prior to Finance Act, 2015, no time period was prescribed to file the statement to A.O for claiming exemption u/s 11(2). Finance Act, 2015 amends 11(2) provides that it is mandatory to file statement to A.O u/s 11(2) on or before the due date of return of income. F.A 2015 has overruled the Supreme court judgement in Nagpur Hotel Owner's Association where in it was held that statement u/s 11(2) can be filed to Assessing officer upto at any time before completion of assessment

Section 13(9) categorically denies exemption under section 11(2) if:

- (i) Statement is not filed u/s 11(2) to assessing officer on or before the due date of filing of return of income; OR
- (ii) Return of income is not filed on or before the due date of filing of return of income.

➤ Section 115BBC and section 13(7): Anonymous Donation

Voluntary contribution from a person where record of identify of contributor taxable @ flat rate of 30% in excess of:

- 5% of total donation of
- ₹ 100000, whichever is higher

Anonymous donation is not taxable if it is received by a wholly religious trust even if name/address of donors are not there.

Rest of the income shall be taxable at the normal rate and computed by deducting anonymous donation taxed above from total income.

CHAPTER - 14

MINIMUM ALTERNATE TAX (MAT)  
ALTERNATE MINIMUM TAX (AMT)

| Particulars          | MAT   | AMT  |
|----------------------|---|--|
| <b>Section</b>       | 115 JB  | 115 JC   |
| <b>Applicability</b> | <p>Every Companies except :-</p> <p>Foreign Company → Income compute Karti hai as per Presumptive Taxation (44BB, 44BBA, 44B)</p> | <p>All assessee other than companies :-</p> <ul style="list-style-type: none"> <li>Individual</li> <li>HUF / AJP</li> <li>AOP / BOI</li> <li>Others</li> <li>P. Firm etc</li> </ul> <p>AMT in all cases</p> <p>A.T.I</p> <p>more than 20 Lakh</p> <p>AMT</p> <p>A.T.I</p> <p>AMT</p> |
| <b>Rate</b>          | <del>18.5%</del> 15%  | 18.5%  |

**NOTE:** If (MAT or AMT) unit located in IFSC then 9% instead of 18.5% or 15% (for MAT)

Remarks

| Rate applicable on             | Book Profit   | Adjusted Total Income   |
|--------------------------------|---|---|
| Amount Payable to Government   | Normal Tax as per normal provision<br>'or'<br>MAT<br>[HIGHER]                               | Normal Tax as per normal provision<br>'or'<br>AMT<br>[HIGHER]                               |
| MAT/AMT Credit                 | If $\text{MAT} > \text{Normal Tax}$<br>Difference<br>MAT Credit                             | If $\text{AMT} > \text{Normal Tax}$<br>Difference<br>AMT Credit                             |
| Utilisation of AMT/MAT Credit  | If $\text{normal Tax} > \text{MAT}$<br>Difference<br>can be utilised upto the extent of MAT | If $\text{normal Tax} > \text{AMT}$<br>Difference<br>can be utilised upto the extent of AMT |
| Treatment of Unutilised Credit | Carry forward for 15 A.Y  | Carry forward for 15 A.Y  |

Remarks

# CHAPTER

# TAXATION OF COMPANY

## *Section 115BAA: Tax on income of certain domestic companies.*

*In section 115BAA of the Income-tax Act, in sub-section (2), in clause (i), for the words, figures and letters 'Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA', the words, figures and letters "Chapter VI-A other than the provisions of section 80JJAA or **section 80M**" shall be substituted with effect from the 1st day of April, 2021.*

*It means, now the companies opting to pay tax under this section can claim deduction U/s. 80M.*

## *Section 115BAB: Tax on income of new manufacturing domestic companies.*

*In section 115BAB of the Income-tax Act, in sub-section (2),--(i) in clause (c), in sub-clause (i), for the words, figures and letters 'Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA', the words, figures and letters "Chapter VI-A other than the provisions of section 80JJAA or **section 80M**" shall be substituted with effect from the 1st day of April, 2021;*

*It means, now the companies opting to pay tax under this section can claim deduction U/s.80M.*

## CHAPTER AMT

*Section 115JC: Special provisions for payment of tax by certain persons other than a company. [Alternate Minimum Tax]*

*If an assessee opts to tax under Sec.115BAC or Sec.115BAD, then **Alternate Minimum Tax is not applicable to such assessee.***

*Section 115JD: Tax credit for alternate minimum tax.*

*If any assessee opts to pay tax under Sec.115BAC or Sec.115BAD and if any brought forward Alternate Minimum Tax [AMT] credit exists, **such credit will lapse as it is not allowed to carry forward further.***

## \* Adjusted Total Income

|       | Particulars  | Amount     |
|-------|--|------------|
|       | Total income as per normal provision of IT Act             | xxx        |
| Add:  | Deduction U/C VIA (heading C except deduction of sec. 80P) | xxx        |
| Add:  | Deduction u/s 10AA   | xxx        |
| Add:  | Investment allowance claimed u/s 35AD                      | xx         |
| Less: | Depreciation allowed u/s 32                                | xx         |
|       | <b>ADJUSTED TOTAL INCOME</b>                               | <b>xxx</b> |

## \* Computation of Book Profits

|      | Particulars   | ₹  | ₹   |
|------|---|----|-----|
|      | Profit as per statement P&L A/c (Companies Act), 2013   |    | xxx |
|      | Add: [Only if Debit to P&L] [except point no.(j) and (n)]                                     |    |     |
| (a.) | Income tax paid/provision [includes interest on IT, DDT surcharge & Health & education Cess.] | xx |     |
| (b.) | Dividend paid/proposed  | xx |     |
| (c.) | Any amount transferred to any Reserves a/c  | xx |     |
| (d.) | Losses of Subsidiary Company  | xx |     |
| (e.) | Provision for un-ascertained  | xx |     |

Remarks

|      |  |    |  |
|------|--|----|--|
|      | contingent Liability   |    |  |
| (f.) | Expenses for earning Income exempt u/s 10,11,12  | XX |  |
| (g.) | Depreciation debited to P&L a/c (Total Depreciation)   | XX |  |
| (h.) | Provision for Diminution in the value of assets (Provision for Bad debts / AS-13/AS-28)  | XX |  |
| (i.) | Deferred Tax   | XX |  |
| (j.) | Balance in Revaluation Reserve on retirement or disposal of asset (if not credited to P&L A/c)   | XX |  |
| (k.) | Expenses related to share in the income of AOP/BOI   | XX |  |
| (l.) | Expenses relating to income to foreign company<br>From - Capital Gain on securities or; Interest, royalty fees or technical services.                                    | XX |  |
|      | (If the tax rate on above income is less than 18.5%  |    |  |
| (m.) | Any notional loss on exchange of shares of SPV with units of Business Trust or notional loss due to change in carrying amount of units or loss on the transfer of units. | XX |  |
| (n.) | Amount of actual gain on transfer of units of business trust.  | XX |  |

Remarks

|         |  |    |    |             |
|---------|--|----|----|-------------|
| (h.)    | (i) B/F Losses   | XX | XX |             |
|         | or   |    |    |             |
|         | (ii) B/F unabsorbed dep.   | XX |    |             |
|         | Whichever is lower   |    |    |             |
| (i.)    | Income as a share in <b>Income of ADP/BDI</b> (because income is already taxable in hands of ADP/BDI)  |    | XX |             |
| (j.)    | Income of foreign company from<br>(a.) <b>Capital gain on securities</b> , or<br>(b.) <b>Interest, royalty or fees for technical services - if tax rate on above income is less than 10.5%</b> |    | XX |             |
| (k.)    | Any <b>notional gain</b> on exchange of shares of SPV with units of Business Trust or notional gain due to change in carrying amount of units or gain on the transfer of units                 |    | XX |             |
| (l.)    | Amount of <b>actual loss</b> on transfer of units of business trust (SP of units - Cost of shares of SPV)  |    | XX |             |
| (m.)    | <b>Income by way of royalty</b> in respect of patent chargeable to tax u/s 115BBF.<br>[As per sec 115BBF royalty is taxable @ 10%. MAT is not applicable]                                      |    | XX | (XXXX)      |
| Remarks | <b>BOOK PROFIT</b>   |    |    | <b>XXXX</b> |

|      |  |    |     |
|------|--|----|-----|
|      | (SP of units - Cost of shares of SPV)  |    |     |
| (o.) | Expenditure relatable to income by way of royalty of patent taxable u/s 115BBF   | XX | XXX |
|      | Less:  |    |     |
| (a.) | Amount withdrawn from any reserve (if reserve made through P&L A/c)  | XX |     |
| (b.) | Income exempted u/s 10/11/12   | XX |     |
| (c.) | Deferred Tax   | XX |     |
| (d.) | Depreciation excluding depreciation on Revaluation of asset.   | XX |     |
| (e.) | Profit of Sick Industrial Company  | XX |     |
| (f.) | Transfer from revaluation reserve (to the extent dep. on revaluation assets.)  | XX |     |
| (g.) | B/F Losses and unabsorbed dep. of company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority u/s 7 or 9 or 10 of the Insolvency and Bankruptcy Code, 2016. (for other company refer point h.) | XX |     |

Remarks