Section		Eligible Business	Year of commencement of eligible business	Period of Deduction	Quantum of Deduction
80-IB	1	An **industrial undertaking** including a small scale industrial undertaking **(SSI)** in **Jammu and Kashmir** (i) It manufactures or produces any article or thing or operates a cold storage plant. (ii) In case of a manufacturing industrial unit, it should employ 10 or more workers (with the aid of power), or 20 or more workers (without the aid of power).	Begins to manufacture or production of any article or thing or operate cold storage plant during the period 1-4-1993 and 31-3-2012.	Not exceeding **10** consecutive AYs (12 AYs in case of co-operative society)	100% of the profits and gains derived from such industrial undertaking for the initial 5 AYs and thereafter 25% (30% in case of company) of such profits and gains
	2	Commercial production of **mineral oil** or commercial production of **natural gas** in licensed blocks	**Commercial production of mineral oil:** On or after 1st April, 1997 but not later than 31.3.2017 **Commercial production of natural gas:** On or after 1st April, 2009 but not later than 31.3.2017	**7** consecutive AYs including the initial AY	100% of the profits and gains from such business
	3	Processing, preservation and packaging of **fruits or vegetables or meat and meat products or poultry or marine or dairy products** or from the integrated business of handling, storage and transportation of foodgrains	**Processing, preservation and packaging of meat or meat products or poultry or marine or dairy products:** On or after 1.4.2009 **Other eligible businesses:** On or after 1.4.2001	**10** consecutive AYs beginning with the initial AY	100% of the profits and gains derived from such business for 5 AYs beginning with the initial AY 25% (30% in case of company) for remaining 5 years
80-IBA		Developing and building housing projects Refer Book for details	Project is approved after 1st June 2016 but on or before ***31 March 2020***	For more Charts mail us on Deepakvarshne@gmail.com	100% of the profits and gains derived from such housing project.
80-IC		Undertakings which manufacture or produce specified article or thing or existing undertakings on their substantial expansion in the states of **Himachal Pradesh and**	Manufacture or produce article or thing from 7.1.03 and ending before 1.4.2012	**10** AYs commencing with the initial AY.	100% for the first five AYs and 25% (30% in the case of a company) for the next five AYs.
80-IE		Undertaking begun or begins, in **any of the North-Eastern States** (i.e., the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura) - (1) to manufacture or produce any eligible article or thing; (2) to undertake substantial expansion to manufacture or produce any eligible article or thing; (3) to carry on any eligible business.	between 1st April, 2007 and ending before 1st April, 2017	**10** consecutive AYs commencing with the initial AY	100% of the profits and gains derived from such business

No deduction will be available to the amalgamating company or the demerged company, as the case may be, in the year of amalgamation/ demerger. For Section 80-IA/80-IAB/80-IB/80-IAC/80-IC/80-IE

It means increase in the investment in plant and machinery by at least 50% of the book value of the plant and machinery (before taking depreciation in any year), as on the first day of the previous year in which the substantial expansion is undertaken

Minimum Alternate Tax on Companies

Applicability

Income-tax payable on the total income is less than **15% of its book profit**,

Where the assessee is a unit located in an IFSC and derives its income solely in convertible foreign exchange, MAT is payable at 9%. (**Rate changed w.e.f. AY 2020-21**)

MAT Provisions apply to

a) Domestic / Indian Company
b) Banking Company
c) Insurance Company (except to the company who is into life insurance business)
d) Company engaged in the generation or supply of electricity

Provisions of MAT **shall not be** applicable to an assessee, being a **foreign company**, if

a) the assessee is a resident of a country or a specified territory with which India **has a DTAA (U/S 90) and TIER (U/S 90A)** and the assessee **does not have a permanent establishment** in India as per such agreement; or

b) the assessee is a resident of a country with which India does not have DTAA and TIER and the assessee is **not required to seek registration** under any law for the time being in force relating to companies.

The provisions of MAT **shall not apply** to

a) any income accruing or arising to a company from **life insurance business** referred to in section 115B

b) a person who has exercised the option referred to under section 115BAA (**Concessional Tax Rate** for Domestic Company)or section 115BAB (Corporate tax rate for **new manufacturing companies**).

Book profit means the net profit as per statement of profit and lossfor the relevant previous year as

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Increased by	**Reduced by**
1. Deferred tax **(DTL)** and Provision	1. Deferred tax **(DTA)** (if Credited)
2. Amounts **carried to any reserves.**	2. Amount **withdrawn from any reserve** / provision if any such amount is credited to profit and loss account The amount withdrawn from reserves shall not be reduced from the book profit unless the book profit of such year has been increased by those reserves.
3. Amount standing in **revaluation reserve** relating to revalued asset on the retirement or disposal of such asset	3. Amount **withdrawn from revaluation reserve** and credited to the profit and loss account, to the extent it does not exceed the amount of depreciation on account of revaluation of assets
4. **Expenditure** relatable to any income to which **section 10 or section 11 or section 12 apply**	4. **Income** to which any of the provisions of **section 10 or section 11 or section 12 apply**
5. **Depreciation**	5. **Depreciation** excluding that on account of revaluation of assets.
6. **Expenditure** relatable to income accruing or arising to an assessee, being a **foreign company,** from · the capital gains arising on transactions in securities · interest, royalty or fees for technical services taxable at the rate/s specified in Chapter XII if the income-tax payable thereon as per provisions of this Act, other than the provisions of this Chapter, it is a rate less than **15%**	6. The amount of **income** accruing or arising to assessee, being a **foreign company,** from · the capital gains arising on transactions in securities · interest, royalty or fees for technical services taxable at the rate/s specified in Chapter XII if the income-tax payable thereon as per provisions of this Act, other than the provisions of this Chapter, it is a rate less than **15%**

7. **Notional loss on the units of business trust:** The amount representing- - notional loss on transfer of a capital asset, being share or a special purpose vehicle to a business trust in exchange of units allotted by that trust; or - notional loss resulting from any change in carrying amount of said units or - loss on transfer of such units	7. **Notional gain on the units of business trust:** The amount representing – (A) the notional gain on transfer of a capital asset, being a share of a SPV to a business trust in exchange of units allotted by the business trust; (B) notional gain resulting from any change in carrying amount of said units; (C) gain on transfer of such units, if any, credited to statement of profit and loss;
8. Amount of **expenditure** relatable to income referred under **section 115BBF (** royalty in respect of patent)	**Income** by way of **royalty** taxable under section **115BBF**
9. Expenditure relatable to share of an assessee in the income of an AOP or BOI on which no income-tax is payable.	9. **Share of the assessee in the income of an AOPs or BOIs** on which no income-tax is payable.
10. **Income-tax paid or payable, and the provision** income-tax includes –DDT, Interest, SHEC 11. **Provisions for losses of subsidiary companies** 12. **Dividends:** Amount of dividends paid or proposed	10. Aggregate amount of **unabsorbed depreciation and loss brought forward** in case of a – (A) company, and its subsidiary and the subsidiary of such subsidiary, where, the Tribunal, has suspended the Board of Directors of such company and has appointed new directors (B) company against whom an application for corporate insolvency resolution process has been admitted Under the Insolvency and Bankruptcy Code, 2016. It may be noted that loss does not include depreciation.
13. Provision for **diminution in the value of any asset**	11. **Loss on transfer of units**: Acquired in exchange of shares of SPV, where the shares are carried at cost. In case shares are carried at a value other than cost, the amount to be computed by taking carrying amount of the shares at the time of exchange;
14. Amount standing in the **revaluation reserve** relating to the revalued asset on the retirement or disposal of such asset, in case the same is not credited to the profit and loss account.	**12. B/F loss or unabsorbed depreciation in case of other companies:** Amount of B/F loss **or** unabsorbed depreciation, **whichever is less** The loss shall not include depreciation
15. Amount of **gain** arise on **transfer units of business trust**	13. **Profits of sick industrial company**

Set-off of credit of tax paid under section 115JB [Section 115JAA]

(1) Tax is paid in relation to the deemed income u/s 115JB(1), the **excess of tax so paid over and above** the tax payable under the other provisions of the Income-tax Act, 1961, will be **allowed as tax credit** in the subsequent years.
However, **no interest** would be payable on the tax credit allowed.

(2) This tax credit is allowed to be carried forward for **15 AYs** succeeding the AY in which the credit became allowable.

(3) In case of conversion of a **private company** or **unlisted public company into an LLP**, the tax credit would not be allowed to the successor LLP.

Section 115JB(2A): Provisions for Ind AS Compliant Companies

For a company whose financial statements are drawn up in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, the following **additional adjustments** shall be done:-

Increased by

· all amounts **credited to OCI** in the statement of profit and loss under the head "Items that will not be re-classified to profit or loss"

· amounts or aggregate of the amounts **debited** to the statement of profit and loss **on distribution of non-cash assets** to **shareholders** in a **demerger**.

Decreased by

· all amounts **debited to OCI** in the statement of profit and loss under the head "Items that will not be re-classified to profit or loss"

· all amounts or aggregate of the amounts **credited** to the statement of profit and loss **on distribution of non-cash assets to shareholders in a demerger** in accordance with Appendix A

No adjustment shall be made where the amount **credited or debited** to **OCI** under the head **"Items that will not be re-classified to profit or loss"** in respect of

a) **revaluation surplus for assets** in accordance with the IAS 16 and IAS 38; or

b) **gains or losses from investments in equity** instruments designated at fair value through other comprehensive income in accordance with the IAS 109:

The **book profit** of the **previous year** in which the **asset or investment** is **retired, disposed, realised or otherwise transferred** shall be **increased or decreased**, as the case may be, by the amount or the aggregate of the amounts referred above for the previous year or any of the preceding previous years and relatable to such asset or investment.

The other comprehensive income (OCI) includes certain items that will permanently be recorded in reserves and hence, never be reclassified to the statement of profit and loss included in the computation of book profits. These items shall be included in book profit for MAT purposes at the point of time -

Particulars	Point of time
Changes in revaluation surplus of Property, Plant or Equipment (PPE) and Intangible assets (Ind AS16 and Ind AS 38)	To be included in book profits at the time of realisation/ disposal/ retirement or otherwise transferred
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income (Ind AS 109)	To be included in book profits at the time of realisation/ disposal/ retirement or otherwise transferred
Re-measurements of defined benefit plans (Ind AS 19)	To be included in book profits every year as the re-measurements gains and losses arise
Any other item	To be included in book profits every year as the gains and losses arise

In case of Demerger

In the case of a resulting company, where the property and the liabilities of the undertaking or undertakings being received by it are **recorded at values different from values appearing** in the books of account of the demerged company immediately **before the demerger, any change** in such value **shall be ignored** for the purpose of computation of book profit of the resulting company under this section.