

MINISTRY OF FINANCE

(Department of Revenue)

[CENTRAL BOARD OF DIRECT TAXES]

NOTIFICATION

New Delhi, the 18th August, 2017

INCOME-TAX

G.S.R. 1028(E).—In exercise of the powers conferred by sub-section (4) of section 115JB read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely;—

1. (1) These rules may be called the Income-tax (22nd Amendment), Rules, 2017.
(2) They shall come into force from the date of their publication in the official Gazette.
2. In the Income-tax Rules, 1962, —
(A) in rule 12, in sub-rule (2), in the proviso, after the words, figures and letters “section 115JB”, the words, figures and letters “section 115JC” shall be inserted;
(B) in Appendix II, for the ‘Form No. 29B’, the following Form shall be substituted, namely:-

“FORM NO.29B

[See rule 40B]

Report under section 115JB of the Income-tax Act, 1961 for computing the book profits of the company

1. I/We* have examined the accounts and records of (name and address of the assessee with PAN)_____ engaged in business of (nature of business) in order to arrive at the book profit during the year ended on the 31st March,_____.
2. I/We*certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115JB of the Income-tax Act in respect of the assessment year (.....) is Rs.,_____which has been determined on the basis of the details provided in Annexure appended to this Form.
3. In my/our*opinion and to the best of my/our* knowledge and according to the explanations given to me/us* the particulars given in the Annexure are true and correct.

Place:

Date:

(Signature and Stamp/Seal of the Accountant)

Name of the Signatory:

Full Address:

Membership No:

1. *Delete whichever is not applicable.
2. This report is to be given by a chartered accountant, within the meaning of the Chartered Accountants Act, 1949 (38 of 1949), who holds a valid certificate of practice under sub-section (1) of section 6 of that Act and is not a person referred to in clause (a) or clause (b) of the Explanation below sub-section (2) of section 288.
3. Where any of the matter stated in this report is answered in the negative or with a qualification, the report shall state the reasons therefor.

ANNEXURE
[See paragraph 2]

Details relating to the computation of Book Profits for the purposes of section 115JB of the Income-tax Act, 1961

Part A
General – Applicable to all the companies

Sl. No	Particulars		
1.	Name of the assessee.		
2.	Address.		
3.	Permanent Account Number.		
4.	Assessment year.		
5.	Financial year adopted by the company under the Companies Act, 2013 (18 of 2013).		
6.	Total income of the company under the Act.		
7.	Income-tax payable on total income.		
8.	Whether statement of profit and loss is prepared in accordance with the provisions of Schedule III to the Companies Act, 2013 (18 of 2013).		Yes / No
9.	Where the financial year referred to in Sl. No. 5 above is same as the relevant previous year, whether the statement of profit and loss referred to in Sl. No. 8 above has followed the same accounting policies, accounting standards for preparing the statement of profit and loss and the same method of rates for calculating depreciation as have been adopted for preparing accounts laid before the company at its annual general meeting? If not, the extent and nature of variation be specified (attach working separately, where required).		Yes / No / Not Applicable
10.	Where the financial year referred to in Sl. No. 5 is not the same as the relevant previous year, whether the statement of profit and loss referred to in Sl. No. 8 above has followed the same accounting policies, accounting standards for preparing the statement of profit and loss and the same method of rates for calculating depreciation as have been adopted for preparing accounts for the respective parts of the financial year laid or to be laid before the company at its annual general meeting? If not, the extent and nature of variation be specified (attach working separately, where required).		Yes / No / Not Applicable
11.	Profit according to statement of profit and loss referred to in Sl. No. 8 above as adjusted by the amount or aggregate of amounts on account of variations referred to in Sl. No 9 or Sl. No. 10, as the case may be.		
12.	Add: Amount or aggregate of amounts referred to in clauses (a) to (k) of <i>Explanation 1</i> to sub-section (2) of this section (attach working separately, where required).		
13.	Less: Amount or aggregate of amounts referred to in clauses (i) to (viii) of <i>Explanation 1</i> of sub-section (2) of this section (attach working separately, where required).		
14.	Add/(Less): Amount of adjustments as referred to in sub-section (2A) of this section where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof (amount from Sl. No 26 of Part B).		
15.	Add/(Less): Amount of adjustments as referred to in sub-		

Sl. No	Particulars		
	section (2C) of this section where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof (amount from Sl. No 33 of Part C).		
16.	Add/(Less): Amount or aggregate of the amounts referred to in the sub-clauses (B) to (E) of clause (iii) of Explanation to sub-section (2C) of this section for the previous year or any of the preceding previous years and relatable to such asset or investment retired, disposed, realised or otherwise transferred during the previous year (attach working separately, where required).		
17.	Add/(Less): Amount or aggregate of the amounts referred to in the sub-clause (F) of clause (iii) of <i>Explanation</i> to sub-section (2C) of this section for the previous year or any of the preceding previous years and relatable to such foreign operations is disposed or otherwise transferred during the previous year (attach working separately, where required).		
18.	Book profit as computed according to <i>Explanation 1</i> given in sub-section (2) read with sub-sections (2A), (2B) and (2C) (total of Sl. No. 11 to 17).		
19.	18.5 per cent of "book-profit" as computed in Sl. No. 18.		
20.	In case income-tax payable by the company referred to at Sl. No. 7 is less than 18.5 per cent of its book profits shown in Sl. No. 18, the amount of income-tax payable by the company would be 18.5 per cent of Sl. No. 18, i.e., as per Sl. No 19.		

Part B

Details of the amount required to be increased or decreased in accordance with sub-section (2A) of section 115JB

[Applicable only where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof]

Sl. No	Particulars		
21.	Year of convergence as defined in clause (i) of <i>Explanation</i> to sub-section (2C) of this section.		
22.	Convergence date.		
23.	Total amount credited to the other comprehensive income in the statement of profit and loss.		
24.	Total amount debited to the other comprehensive income in the statement of profit and loss.		
25.	Increase or decrease referred to in sub-section (2A) of this section		
	(i) increase on account of amounts credited to other comprehensive income under the head "Items that will not be re-classified to profit or loss".		
	(ii) decrease on account of amounts debited to other comprehensive income under the head "Items that will not be re-classified to profit or loss".		
	(iii) increase on account of amounts or aggregate		

		of amounts debited to the statement of profit and loss on distribution of non-cash assets to shareholders in a demerger in accordance with Appendix A of the Indian Accounting Standard 10.	
	(iv)	decrease on account of amounts or aggregate of 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 of the Indian Accounting Standard 10.	
	(v)	Sub-total [(i) –(ii) + (iii) – (iv)]	
	(vi)	Increase or decrease on account of amount of revaluation surplus of assets included in item (i) or (ii) above.	
	(vii)	Increase or decrease on account of amount of gains or losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with Indian Accounting Standards 109 included in item (i) or (ii) above.	
	(viii)	Increase or decrease on account of amount or aggregate of the amounts referred to in the first proviso of sub-section (2A) of this section for the previous year or any of the preceding previous years and relatable to such asset or investment retired, disposed, realised or otherwise transferred during the previous year.	
26		Total [(v) to (viii)] (amount to be carried to Sl. No. 14 of Part A.).	

Part C

Details of the amount required to be increased or decreased in accordance with sub-section (2C) of section 115JB

[Applicable only where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof]

[To be filled up for the year of convergence and each of the following four previous years only]

Sl. No.	Particulars		
27.	Year of convergence as defined in clause (i) of Explanation to sub-section (2C) of this section.		
28.	Convergence date.		
29.	Amount or the aggregate of the amounts adjusted in the other equity (including capital reserve and securities premium reserve).		
30.	To be increased or decreased by:-		
	(i) amount or aggregate of amounts adjusted in Capital reserve.		
	(ii) amount or aggregate of amounts adjusted in Securities premium reserve.		
	(iii) amount or aggregate of amounts adjusted in the other comprehensive income on the convergence date which shall be subsequently reclassified to profit or loss.		
	(iv) amount or aggregate of amounts adjusted in Revaluation surplus for assets in accordance with the Indian Accounting Standards 16 and Indian Accounting		

		Standards 38 adjusted on the convergence date.		
	(v)	gains or losses from investment in equity instruments designated at fair value through other comprehensive income in accordance with Indian Accounting Standards 109 adjusted on the convergence date.		
	(vi)	adjustments relating to items of property plant and equipment and intangible assets recorded at fair value as deemed cost in accordance with paragraphs D5 and D7 of the Indian Accounting Standards 101 on the convergence date.		
	(vii)	adjustments relating to investments in subsidiaries, joint ventures and associates recorded at fair value as deemed cost in accordance with paragraph D15 of the Indian Accounting Standard 101 on the convergence date.		
	(viii)	adjustments relating to cumulative translation differences of a foreign operation in accordance with paragraph D13 of the Indian Accounting Standard 101 on the convergence date.		
	(ix)	any other adjustment (to be specified).		
31.		Total [29 +/ (-) 30 (i) to (ix)].		
32.		1/5 th of the Sl. No 31(amount to be carried to Sl. No. 15 of Part A).		
33.		Details of adjustment for transition amount.		
	(i)	Total transition amount.		
	(ii)	Amount or aggregate of amounts adjusted till immediately preceding year.		
	(iii)	Amounts adjusted in this year.		
	(iv)	Amount to be adjusted in the subsequent year(s).”.		

[Notification No. 80/2017/F. No. 133/23/2015-TPL]
PRAVIN RAWAL, Director (Tax Policy and Legislation)

Note : The principal rules were published in the Gazette of India Extraordinary, part II, Section 3, Sub-section (ii), *vide* notification number S.O. 969(E), dated the, 26th March, 1962 and last amended *vide* notification number GSR No 891 (E) dated the 18.07.2017.