

YEAR OF ASSESSMENT 2023-2024

These notes are intended to assist in the completion of the return. If further information is required please contact the Mauritius Revenue Authority (MRA), Efram Court, Ground Floor, Cnr Mgr Gonin & Sir V. Naz Streets, Port Louis, Tel 207-6000. Website: <http://www.mra.mu>

Note 1 Main business activity (Page 1 item 4)

Please consult "List of Activities" available under "Media Centre" on MRA website before entering appropriate sector, type and detail of activity.

Expression of doubt

If you are in doubt regarding the interpretation of the law or treatment in respect of any items contained in this return, you may submit the return according to your own interpretation of the law or treatment, by giving a description of the issue in question and specify the doubt in the space provided. When you express a doubt, the law provides that there will not be any penalty for late payment on any additional tax which could result from any adjustment in relation to the doubt specified.

Note 2 Declaration

This section should be completed after filling in all items on pages 1 to 13.

Note 3 Trading and Profit and Loss account

The details of trading and profit & loss a/c should be given on pages 2 and 3. No accounts should be attached. Any item of expenditure in the Trading & Profit & Loss a/c not indicated in the return should be included in item 52 'other expenses'.

Note 4 Balance Sheet

The details of Balance Sheet's items should be given on page 4. Where details are not provided, the company shall be deemed not to have submitted a return.

Note 5 Computation of chargeable income

The profit as per the profit & loss a/c is not the taxable profit as not all items of income are taxable nor are all items of expenses deductible for tax purposes. The net profit/loss as per profit and loss a/c needs to be adjusted on pages 5 and 6 to arrive at the chargeable income.

Income to be expressed in Mauritian Rupees

Any amount of income derived or expenditure incurred and remitted during an income year in a currency other than Mauritian rupees should be converted in Mauritian rupees at the exchange rate in force as at the date of remittance. Where any such amount is not remitted during the income year it is derived or incurred, it should be converted at the exchange rate in force at the end of that income year. However, where a company prepares its financial statements with the approval of the Registrar of companies in either US dollar, Euros, GB pounds sterling, Singapore dollars, South African rands, Swiss francs or such other foreign currency as approved by the MRA, the return and payment of tax should be made electronically in that currency.

General Rule for deduction of expenses

Any expenditure or loss to the extent to which it is exclusively incurred in the production of the gross income of the business is deductible from the gross income.

Unauthorised deductions

The items of expenditure that are specifically prohibited by Section 26 of the Income Tax Act include -

- (a) any investment, expenditure or loss to the extent to which it is capital or of a capital nature;
- (b) any expenditure or loss to the extent to which it is incurred in the production of income which is exempt income;
- (c) any reserve or provision of any kind;
- (d) any expenditure or loss recoverable under a contract of insurance or of indemnity;
- (e) any expenditure incurred in providing business entertainment or any gift;
- (f) income tax, foreign tax, levy imposed in accordance with section 114 of the Gambling Regulatory Authority Act or special levy on banks in accordance with Part XB of the Value Added Tax Act;
- (g) any expenditure or loss to the extent to which it is of a private or domestic nature.

Item 2 - Expenditure incurred in the production of exempt income

- (1) Expenditure or loss exclusively incurred in the production of exempt income is not allowable.
- (2) Where expenditure or loss is incurred in the production of both gross income and exempt income, that part of the expenditure or loss attributable to the production of exempt income shall be calculated using the following formula:

$$\frac{\text{exempt income} \times \text{expenditure or loss}}{\text{total gross income (including exempt income)}}$$

- (3) Where the proportion of exempt income to total gross income in the above formula is 10 per cent or less, no part of the expenditure or loss as determined above shall be disallowed.

Item 9 - Unrelieved bad debts from Peer-to-Peer Lending platform carried forward

Where the amount of debt derived from any Peer-to-Peer Lending platform cannot be fully relieved, the company may claim that the unrelieved amount of debt or interest be carried forward and set off against interest received from money lent through the same Peer-to-Peer Lending platform in the succeeding income years.

Dividends payable

Dividends payable are not deductible in computing the chargeable income of a company.

Item 14 - Dividends receivable

Dividends receivable from a resident company are exempt from tax. However, where a company's income includes exempt income, the expenses incurred to produce such exempt income should be added back in Item 2 of Page 5. Dividends receivable from outside Mauritius are taxable.

Item 15 - Net Income / (loss) from exempt activity

Other types of income exempted under Part II of the second Schedule to the Income Tax Act may be deducted under this item.

Item 16 - Annual allowance

(A) Depreciation, being a provision, is not an allowable expenditure. A company may instead, claim deduction in respect of annual allowance on capital expenditure at the prescribed rates, as follows:-

	Capital expenditure incurred on	Rate as a % of	
		Base value	cost
1	Industrial premises excluding hotels	-	5
2	Commercial premises	-	5
3	Hotels	30	-
4	Plant or Machinery –		
	(a) costing or having a base value of 60,000 rupees or less	-	100
	(b) costing more than 60,000 rupees –		
	(i) ships or aircrafts	20	-
	(ii) aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	-	100
	(iii) motor vehicles	25	-
	(iv) computer hardware and peripherals and computer software	50	-
	(iva) electronic, high precision machinery or equipment and automated equipment	100	-
	(v) furniture and fittings	20	-
	(vi) other	35	-
5	Improvement on agricultural land for agricultural purposes	25	
6	Research and development, including innovation, improvement or development of a process, product or service	-	50
7	Acquisition of solar energy unit	-	100
8	Golf courses	15	-
9	Acquisition of patents	25	-
10	Green technology equipment	-	50
11	Landscaping and other earth works for embellishment purposes	-	50
12	Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5

Where a company, carrying on business other than tour operator or car rental, has incurred capital expenditure on or after 1 January 2011 on a motor car costing more than three million rupees, the annual allowance shall be 25% of the base value, limited to three million rupees in the aggregate. Base value means cost less any amount allowed by way of annual allowance.

Item 17 - Accelerated annual allowance

(B) Accelerated annual allowance on capital expenditure incurred during the period from 1 January 2013 to 30 June 2018 may be claimed as follows:-

	Capital expenditure incurred on	Rate as a % of	
		Base value	cost
	Industrial premises dedicated to manufacturing	30	-

Where annual allowance has been claimed under paragraph (A), no allowance should be claimed under paragraph (B). It is to be noted that no annual allowance is allowable unless proper books of accounts and records are kept.

Item 18 - Capital expenditure incurred on electronic, high precision or automated machinery

Where, in an income year, a person incurs expenditure on electronic, high precision or automated machinery or equipment on or after 1 July 2020, he shall be allowed, in that income year, a deduction of that capital expenditure. Where a deduction has been claimed under this section, the corporation is not entitled to annual allowance.

Item 21 - Allowance for disabled employee and emoluments incurred in Rodrigues

An additional deduction equivalent to the amount already claimed in accounts is allowable in respect of expenditure incurred on -

- (i) emoluments in respect of a disabled person; or
- (ii) emoluments and training costs in respect of an employee employed in any business set up in the island of Rodrigues.

Item 22 - Expenditure incurred on artwork

Where a company which is not a dealer in artwork incurs in an income year expenditure on the acquisition of an artwork for display in a conspicuous place on its business premises, it shall be allowed, in that income year, a deduction from its gross income in respect of the expenditure incurred. The deduction shall not, in the aggregate, exceed 500,000 rupees over a period of 3 consecutive income years.

Item 23- Additional deduction in respect of emoluments paid to homeworkers

Where during the period 1 July 2018 to 30 June 2020, a person employs a full –time homeworker, he shall be allowed to deduct an additional amount equivalent to the amount already claimed in accounts in respect of emoluments payable to the homeworker.

The following conditions apply:

- (i) Necessary information technology system has been acquired;
- (ii) more than 5 homeworkers are employed at any time during the year;
- (iii) monthly emoluments payable to the homeworker do not exceed 100,000 rupees.

The deduction shall be allowed in respect of emoluments payable to a homeworker during a period not exceeding 24 consecutive months starting from 1 July 2018 or the month in which the homeworker starts working from home, as the case may be.

Item 24 - Investment in crèches

Where, in an income year, a company incurs capital expenditure on a crèche for the benefit of its employees, a deduction of twice the amount of such expenditure incurred in that income year may be claimed. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 25 - Expenditure incurred on deep ocean air conditioning

A deduction of twice the amount of such expenditure incurred in that income year may be claimed.

Item 26 - Expenditure incurred on water desalination plant

A deduction of twice the amount of such expenditure incurred in that income year may be claimed. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 27 - Qualifying expenditure incurred for research and development directly related to existing trade and business

A deduction of twice the amount of such expenditure incurred in that income year may be claimed. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 28 - Expenditure incurred on medical research and development

A deduction of twice the amount of such expenditure incurred in that income year may be claimed provided the research and development is carried out in Mauritius. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 29 - Expenditure incurred on patents and franchises, costs to comply with international quality standards and norms

A deduction of twice the amount of such expenditure incurred in that income year may be claimed. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 30 - Expenditure incurred on specialised software and systems

Where, in an income year, a company incurs expenditure for the acquisition of specialised software and systems, it may deduct, from its gross income, twice the amount of such expenditure incurred in that income year. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 31- Expenditure on market research and product development for African market

Where, in an income year, a manufacturing company incurs expenditure on market research and product development for the African market, it may deduct, from its gross income, twice the amount of such expenditure incurred in that income year. Where a deduction has been claimed under this section, the company is not entitled to annual allowance.

Item 33 - Additional deduction in respect of expenditure incurred on fast charger for electric car

Where, in an income year, a person incurs expenditure on a fast charger for an electric car used in the production of his gross income, he may deduct from his gross income, twice the amount of such expenditure in that income year.

Item 34 - Additional deduction in respect of expenditure on international accreditation

Where a company is registered as a health institution under the Private Health Institutions Act, it may, in an income year, deduct from its gross income twice the amount of any direct expenditure incurred in that income year relating to international accreditation

Item 35 - Expenditure incurred by hotels on cleaning, renovation and embellishment works

A company operating a hotel may, in an income year, deduct from its gross income an amount equal to 150 per cent of any expenditure incurred in that income year on cleaning, renovation and embellishment works in the public realm.

Item 36 - Expenditure incurred for arbitration, conciliation or mediation under an Alternative Dispute Resolution Mechanism

Where, in an income year, a company makes an application for arbitration, conciliation or mediation for the settlement of a dispute before a recognised arbitration institution in Mauritius and has incurred expenditure in respect of filing fees, it shall in that income year be allowed a deduction of an amount equivalent to 150 per cent of the expenditure so incurred from its gross income.

Item 37 - Expenditure incurred by manufacturing companies on products manufactured locally by small enterprises

Where a manufacturing company whose annual turnover exceeds 100 million rupees in an income year incurs any expenditure on the direct purchase of products manufactured locally by small and medium enterprises whose turnover does not exceed 100 million rupees, it shall be allowed, in that income year, an additional deduction of the amount of expenditure so incurred. The deduction allowable shall be 10 per cent of the amount of expenditure incurred during the period starting on 1 July 2021 and ending on 30 June 2022 and 25 per cent of the amount of expenditure incurred as from 1 July 2022.

Item 38 - Peer-to-Peer Lending platform

An exemption of 80 per cent of interest derived by a person from money lent through a Peer-to-Peer Lending platform operated under a licence issued by the Financial Services Commission under the Financial Services Act, may be claimed in an income year.

Items 39 - 46 - Conditions for eligibility to partial exemption (regulation 23D Income Tax Regulations 1996)

Companies deriving foreign source income in a year may, on satisfying the prescribed conditions, be entitled to claim exemption of the foreign source income as follows:

Item 39 - Foreign dividend derived by a company

An exemption of 80 per cent of the foreign source dividend derived may be claimed provided that:

- (i) the dividend has not been allowed as a deduction in the country of source;
- (ii) the company complies with its filing obligations under the Companies Act or the Financial Services Act; and
- (iii) the company has adequate resources for holding and managing share participations.

Item 40 - Interest derived by a company other than a bank

An exemption of 80 per cent of the interest derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes agreeing funding terms, setting the terms and duration of any financing, monitoring and revising any agreements, and managing any risks.

Item 41 - Income derived by a company from provision of specified financial services

The income should be derived by a collective investment scheme (CIS), closed end fund, CIS manager, CIS administrator, investment adviser, investment dealer or asset manager licensed or approved by the Financial Services Commission.

An exemption of 80 per cent of the income derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes the following as set out in the table below:

Type of Licence	Core Income Generating Activities
Collective Investment Scheme	Investment of funds in portfolios of securities, or other financial assets, real property or non-financial assets; diversification of risks; redemption on the request of the holder
Closed-end Fund	Investment of funds collected from sophisticated investors, in portfolios of securities, or in other financial or non-financial assets, or real property
CIS Manager	Management of a Collective Investment Scheme; taking decisions on the holding and selling of investments; calculating risks and reserves; taking decisions on currency or interest fluctuations and hedging positions; and preparing relevant regulatory or other reports for government authorities and investors
CIS Administrator	Providing services with respect to the operations and administrative affairs of a collective investment scheme including accounting, valuation or reporting services
Investment Adviser or Asset Manager	Advising, guiding or recommending other persons, or holding himself out to advise, guide or recommend other persons, whether personally or through printed materials or by other means, to enter into securities transactions; managing or holding himself out to manage, under a mandate, whether discretionary or not, portfolios of securities; giving advice on corporate finance advisory matters concerning securities transactions
Investment dealer	Acting as an intermediary in the execution of securities transactions on behalf of other persons; trading in securities as principal for own account with the intention of reselling these securities to the public; underwriting or distributing securities on behalf of an issuer or a holder of securities

Item 42 - Income derived by companies engaged in ships, aircrafts, locomotives and trains, including rail leasing

An exemption of 80 per cent of the income derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes agreeing on funding terms, identifying and acquiring assets to be leased, setting out the terms and duration of any leasing, monitoring and revising any agreements, and managing any risks.

Item 43 - Income derived by a company from reinsurance and reinsurance brokering activities

An exemption of 80 per cent of the income derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes agreeing funding terms, setting the terms and duration of any financing, monitoring and revising any agreements, and managing any risks.

Item 44 - Income derived by a company from leasing and provision of international fibre capacity

An exemption of 80 per cent of the income derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes agreeing funding terms, setting the terms and duration of any financing, monitoring and revising any agreements, and managing any risks.

Item 45 - Income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto

An exemption of 80 per cent of the income derived may be claimed provided that the company:

- (i) carries out its core income generating activities in Mauritius;
- (ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) incurs a minimum expenditure proportionate to its level of activities.

"core income generating activities" includes agreeing funding terms, setting the terms and duration of any financing, monitoring and revising any agreements, and managing any risks.

For the purpose of items 40 to 45, a company may outsource any relevant activities to third party service providers, provided that:

- (a) the company is able to demonstrate adequate monitoring of the outsourced activities;
- (b) the outsourced activities are conducted in Mauritius; and
- (c) the economic substance of service providers is not counted multiple times by multiple companies when evidencing their own substance in Mauritius.

Item 46 - Profit of a foreign permanent establishment which a resident company has in a foreign country

An exemption of 80 per cent of the profit attributable to the permanent establishment may be claimed in an income year.

Item 52 - Contribution to Covid-19 Solidarity Fund carried forward

Any unrelieved amount of Contribution to Covid-19 Solidarity Fund for an income year may be carried forward and deducted against the net income of the income year immediately following that income year up to a maximum of 2 income years.

Item 53 - Contribution to National Covid-19 Vaccination Programme Fund carried forward

Any unrelieved amount of Contribution to National Covid-19 Vaccination Programme Fund for an income year may be carried forward and deducted against the net income of the income year immediately following that income year up to a maximum of 2 income years.

Items 54 to 56 - Losses brought forward from previous year

Section 59 of the Income Tax Act provides that losses incurred may be deducted in computing net income in an income year. Where the loss cannot be fully relieved in an income year, the unrelieved loss may be carried forward and set-off against net income derived in the following 5 income years only.

A company may not carry forward and set-off in its return for the year of assessment 2023-2024 any unrelieved loss relating to the year of assessment 2017/2018 and previous years

The time limit of 5 years is not applicable for the carry forward of loss attributable to annual allowances in respect of capital expenditure incurred on or after 1 July 2006.

Item 58 - Penalty for loss over claimed

A penalty of up to 5 per cent of a loss claimed in excess of the actual loss incurred or brought forward is payable.

Item 59 - Transfer of loss on takeover or merger

The law provides for the transfer of unrelieved losses where a company takes over another company engaged in manufacturing activities or where 2 or more companies engaged in manufacturing activities merge into one company, provided that the acquiree company is dissolved after the takeover and on such conditions relating to safeguard of employment as may be approved by the Minister.

Note 6 **Calculation of Tax**

The rate of tax applicable to all companies is 15% except for the following, where a reduced tax rate of 3% is applicable:

- (i) Companies engaged in export of goods or manufacturing activities in a freeport zone
- (ii) Manufacturing companies engaged in medical, biotechnology or pharmaceutical sector holding an Investment Certificate issued by the Economic Development Board
- (iii) Higher Education Institutions registered under the Higher Education Act and set-up in Mauritius

The chargeable income taxable at the rate of 3% is calculated using the following formula:

$$\frac{a}{b} \times c$$

where

- a is the gross income derived from the above three activities
- b is the gross income derived from all the activities during the year
- c is the chargeable income of the company for the year

CSR Fund

Every company is required to set up a CSR Fund equivalent to 2% of its chargeable income for the preceding year to implement a programme in accordance with its own CSR framework and having as its objects the alleviation of poverty, the relief of sickness or disability, the advancement of education of vulnerable persons or the promotion of any other public object beneficial to the Mauritian community.

An amount equal to the percentage of the CSR Fund, as specified in the following table, shall be remitted to the Director-General –

	Percentage to be remitted to the Director-General
CSR Fund set up on or after 1 January 2017 up to 31 December 2018	At least 50%
CSR Fund set up on or after 1 January 2019	At least 75%

Enter at line 67 any amount paid as CSR in the APS statements relating to the current income year, CSR is not applicable to:

- (i) a GBL company in respect of foreign source income;
- (ii) a bank, in respect of income derived from non-residents or GBL corporations;
- (iii) an IRS company;
- (iv) a non-resident société, a foundation, a trust or a trustee of a unit trust scheme;
- (v) a company issued with a certificate as a freeport operator or private freeport developer under the Freeport Act, in respect of income derived from export;
- (vi) a company that has elected to pay a presumptive tax for the preceeding income year.

Item 70 - Solidarity levy on telephony service provider

The solidarity levy payable shall be the aggregate of 5% of book profit and 1.5% of turnover in respect of the preceding year. No levy shall be paid in a year, where, in the year immediately preceding that year, the operator has incurred a loss.

Item 72 - Special/Investment Tax Credit

(i) If, during the period from 1 January 2014 to 30 June 2016, a manufacturing company has invested an amount in excess of MUR 100 million in plant or equipment for the production of -

- (a) computers, film, pharmaceuticals or medicinal chemicals, ships and boats, textiles, wearing apparels;
- (b) electronic or optical products, electrical equipment, furniture, jewellery and bijouterie, medical and dental instruments, devices and supplies;

It may deduct 5% of the amount invested in its return for the year in which investment is made and the 2 subsequent years. If the amount of tax credit exceeds the tax payable for the year, the excess may be carried forward to the next year. Any excess credit may be carried forward for a maximum period of five consecutive income years following the income year in which the capital expenditure was incurred.

(ii) If, during the period from 1 July 2016 to 30 June 2021 -

- (a) a manufacturing company has incurred capital expenditure on new plant and machinery mentioned in (i) above, it may claim in its return, a tax credit of 15% for items specified in (i)(a) and 5% for items specified in (i)(b) above;
- (b) No deduction in respect of a capital expenditure shall be carried forward beyond a period of 5 consecutive income years following the income year in which the capital expenditure was incurred.
- (c) Where in an income year the plant and machinery is sold or otherwise transferred within a period of 5 years from the date of its acquisition, the tax credit shall be withdrawn and any tax credit claimed shall be deemed to be income tax payable to the Director-General in that income year.
- (iii) Where a company has invested in the share capital of a subsidiary company engaged in the setting up and management of an accredited business incubator, it may deduct, in its return, a tax credit of 15% of the investment in the share capital subject to a maximum of 3,000,000 rupees
- (iv) Where during the period 1 July 2018 to 30 June 2021, a company engaged in the importation of goods in semi knocked-down form incurs capital expenditure in new plant and machinery, it shall be allowed, in the year of acquisition and in each of the two subsequent income years, a tax credit of an amount equal to 5 per cent of the cost of the new plant and machinery.

No credit shall be allowed where the local value addition incorporated in the goods is less than 20 per cent.

Plant and machinery does not include motor cars.

- (v) Where, during the period 1 July 2018 to 30 June 2021, a person incurs capital expenditure on information technology systems for the purpose of employing homeworkers, he shall be allowed, in the year of acquisition and in each of the two subsequent income years, a tax credit of an amount equal to 5 per cent of the cost of the information technology system.
- (vi) Where, during the period 1 July 2020 to 30 June 2023, a manufacturing company incurs capital expenditure on new plant and machinery, it shall be allowed, in the year of acquisition and in each of the 2 subsequent income years, a tax credit of an amount equal to 15 per cent of the cost of the new plant and machinery.

Plant and machinery does not include motor cars.

Item 72.3 - Tax credit to medical, biotechnology or pharmaceutical companies

Where a manufacturing company engaged in medical, biotechnology or pharmaceutical sector has incurred in an income year capital expenditure for the acquisition of patents, it shall be allowed a tax credit by way of deduction from the income tax otherwise payable by it of an amount equal to 100 per cent of the expenditure so incurred.

Where the deduction in respect of an income year exceeds the amount of income tax otherwise payable for that income year, the excess may be carried forward to the following income year.

No deduction in respect of an expenditure shall be carried forward beyond a period of 5 consecutive income years starting from the income year in which the expenditure was made.

Where a tax credit has for any income year been allowed and within 5 years following that income year -

- (a) the company ceases to be engaged wholly or mainly in the qualifying activity; or
- (b) the company sells or otherwise transfers the patent,

an amount equal to the tax credit or the proportionate part of the tax credit allowed under this section shall be included in the income tax payable by the company in the income year in which the cessation, sale or transfer takes place.

The tax credit allowed shall be in addition to the allowances to which the company is entitled under section 63.

No tax credit shall be allowed under this section to a company where a deduction under section 67K has been claimed.

Item 74 Foreign tax credits

- a. Where a taxpayer derives income which is subject to foreign tax, the amount of foreign tax so paid shall be allowed as a credit against income tax payable in Mauritius in respect of that income.
- b. No credit shall be allowed in respect of foreign source income where the person has claimed a partial exemption in respect of that income.

Item 76 - Tax deducted at source (TDS)

A company should take credit of TDS in accordance with the "Statement of Income Received" for the income year immediately preceding the due date of submission of the relevant annual return.

The BRN and TAN of the payer should be inserted where the TDS has been deducted on income derived by the company directly. Where the company is entitled to deduct the share of TDS on income derived by a Société, the BRN and TAN of the Société should be inserted.

Attach additional sheet(s) if necessary to give the required details.

Item 78 - Tax paid under APS

Relates to amounts already paid under Advance Payment System for year of assessment 2023-2024 and should exclude any amount deducted at line 6 on page 7 of the return.

Item 80 - Tax payable

The total tax balance is payable by the due date for submission of the annual return of income.

Item 81 - Interest on unpaid tax

The law provides for payment of interest at the rate of 0.5 per cent per month or part of the month during which the tax remains unpaid.

- **Failure to submit return of income electronically (FSRE):** A penalty of 20 per cent shall be calculated on the the tax payable (a) to a maximum of 100,000 rupees; or (b) 5,000 rupees where there is no tax liability where a person fails to submit his return and makes any payment of tax electronically.

- **Refund of excess income tax (ROEIT):** A penalty of up to 25 per cent shall be calculated on the amount of an excess tax refund claimed.