

Unit III

Assessment of Companies

Meaning of Company

(i) any Indian company; or

(ii) body corporate incorporated outside India under the laws of a foreign country; or

(iii) any institution, association or a body which is assessed or was assessable/assessed as a company for any Assessment Year commencing on or before 1.4.1970; or

Cont....

(iv) any institution, association or body whether incorporated or not and whether Indian or non-Indian

which is declared by general or special order of the Central Board of Direct Taxes to be a company.

[Sec. 2(17)]

In computing tax incidence companies are classified as follows

(i) Domestic Company

(ii) Foreign Company

'Domestic Company' means —

(i) an Indian company; or

(ii) any other company which, in respect of its income liable to tax under the Act, has made the following prescribed arrangements for the declaration and payment of dividends within India in accordance with Sec. 194 read with Rule 27 of the Rules:

- (a) The share register of the company for all shareholders should be regularly maintained at its principal place of business in India, in respect of any Assessment Year, from 1st April of the relevant Assessment Year.

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(b) The general meeting for passing of accounts of the relevant Previous Year and for declaring dividends in respect thereof should be held only at a place within India.

(c) The dividends declared, if any, should be payable only within India to all shareholders. [Sec. 2(22A)]

Foreign Company' means company which is not a domestic company.
[Sec. 2(23A)]

Thank You