

Exemption under section 80G of the Income Tax Act, 1961

Media Lab Asia has received exemption under Section 80-G of the Income Tax Act, 1961 vide order No. DIT (E)/MC/80G/2373/2008/2008-09 dated 18th March 2009 issued by the Office of the Director of Income Tax (Exemption), Mumbai for the period 06.03.2007 to 31.03.2010.

Under section 80G deduction is available to any tax payer (may be individual, company, firm or any other person) making donation to the company. 50% of the donation made is allowed to be deducted from the taxable income and consequently tax is calculated.

While computing the total income of the tax payer and for arriving at the deductible amount under section 80G, first the aggregate of the sums donated will be computed. Then 50 per cent of such donations have to be found out and it should be limited to 10 per cent of the gross total income. If such amount is more than 10 per cent of the gross total income, the excess will have to be ignored.

A certificate under Section 80G will be issued by the Company to the tax payer making the donation to enable them to claim the exemption from Income Tax.

Let us take an illustration. Mr. X an individual and M/s. Y Pvt. Ltd., a Company both give donation of Rs.1,00,000/- to charitable institution/trust/NGO. The total income for the year 2009-2010 of both Mr. X and Ms. Y Pvt. Ltd. is Rs.2,00,000/-. Now assuming that the rates are 30% for the individuals and 40% for the Companies without any minimum exemption limit. The tax benefit would be as shown in the table:

Mr. X

MS. Y Pvt. Ltd.

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i) Total Income for the year 2009-2010

2,00,000.00

2,00,000.00

ii) Tax payable before Donation

60,000.00

80,000.00

iii) Donation made to charitable organisations

1,00,000.00

1,00,000.00

iv) Qualifying amount for deduction (50% of donation made)

50,000.00

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50,000.00

v) Amount of deduction u/s 80G (Gross Qualifying Amount subject to a maximum limit 10% of the Gro

20,000.00

20,000.00

iv) Taxable Income after deduction

1,80,000.00

1,80,000.00

v) Tax payable after Donation

54,000.00

72,000.00

(vi) Tax Benefit U/S 80G (ii)-(v)

6,000.00

8,000.00

Media Lab Asia aspires to bring the benefit of cutting edge technologies to the people of India with an aim to improve the quality of life, create better opportunities for livelihood and offer sustainable solutions for socio economic growth and development. Through a network of national laboratories dedicated to bring the benefits of new technologies to the masses, Media lab Asia is working towards facilitating the invention, refinement and dissemination of the innovations to villages in India.

Media Lab Asia will use the funds to develop and work around village-level field projects, supported by research for technology development to reach innovations and research benefits to all parts of India especially the village economy and rural areas.

The Company will also undertake nation-wide, mass-awareness programmes to:

(1) Familiarize people with the potential of information and communication technologies innovation and processes to harness such advancements to improve their lives;

(2) to identify policy change requirements; and

(3) to support changes to the village infrastructure.