

Tax Hotline

September 13, 2000

CORPORATES COVERED UNDER THE MINIMUM ALTERNATE TAX (MAT) PROVISIONS WOULD BE LIABLE TO PAY ADVANCE TAXES

Under the MAT provisions if the tax payable by a corporate is less than 7.5% of its book profits, 7.5% of book profits would be the minimum tax payable by it. In a recent judgement, Commissioner of Income Tax (Appeals) in Mumbai, India, held that any corporate covered under the Indian Income Tax Act, 1961 will be liable to pay advance tax in four installments during the accounting year on its normally estimated taxable profits. This obligation would exist irrespective of the fact that at the end of the accounting year on the basis of its audited accounts it may be liable to pay tax under the MAT provisions.

P.S. Prior to Finance Act 2000, under the MAT provisions if the taxable profit of a corporate was less than 30% of its book profits, then 30% of book profits would be deemed to be its taxable profit.

Source: The Economic Times, September 13, 2000

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Compendium of Research Papers

April 11, 2024

Third-Party Funding for Dispute Resolution in India

April 02, 2024

Opportunities in GIFT City

March 18, 2024

Research Articles

Private Client Insights - Sustainable Success: How Family Constitutions can Shape Corporate Governance, Business Succession and Familial Legacy

January 25, 2024

Private Equity and M&A in India: What to Expect in 2024?

January 23, 2024

Emerging Legal Issues with use of Generative AI

October 27, 2023

Audio

IBC allows automatic release of ED attachments: Bombay HC reaffirms

April 15, 2024

The Midnight Clause

February 29, 2024

Enforceability of unstamped or inadequately stamped Arbitration Agreements

January 10, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Cyber Incident Response Management

February 28, 2024

Webinar : Navigating Advertising

**Laws in India Part II Fireside Chat
with Manisha Kapoor**

February 27, 2024

**Webinar : Navigating Advertising
Laws in India**

February 20, 2024