

## 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

### **Structuring Platform Investments in India For Foreign Investors**

March 31, 2025

### **India's Oil & Gas Sector— at a Glance?**

March 27, 2025

### **Artificial Intelligence in Healthcare**

March 27, 2025

## Research Articles

### **Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?**

February 04, 2025

### **INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals**

January 15, 2025

### **Key changes to Model Concession Agreements in the Road Sector**

January 03, 2025

## Audio

### **CCI's Deal Value Test**

February 22, 2025

### **Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice**

December 18, 2024

### **Digital Lending - Part 1 - What's New with NBFC P2Ps**

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

**Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX**

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025