

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

Mergers & Acquisitions

July 11, 2025

New Age of Franchising

June 20, 2025

Life Sciences 2025

June 11, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

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

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

Reimagining CSR: From Grant Giving to Blended Finance & Outcome Based Funding

June 16, 2025

Courts vs Bankruptcy code: The

