MAT (Minimum Alternate tax) U/s 115JB

18.5% of Book Profits

Surcharge, EC, SHEC Extra

Book Profit = Net Profit in the P & L A/c

ADDITION (+)

Itax ✓	CTT ✗
CDT ✓	W.tax ✗
Intt. ✓	STT ✗
EC & SHEC ✓	Penalties ✗
	Intt. under W.tax ✗

* Income tax paid or payable
* Reserves (Excess Provisions are also reserves)
* Provisions for meeting unascertained liabilities
* Losses of Subsidiary companies {Provision as well as actual loss}
* Dividend paid or proposed (Pref. + Equity)
* Expenditure related to exempt U/s 10, 11 & 12 (except 10(38))
* Amt. of deferred tax & provision
* Depreciation Amount (including depreciation on revalued assets)
* Provision for diminution in the value of any asset
  - Provision for bad & doubtful debts
  - Provision for diminution in Investment
* Amount standing in revaluation reserve related to revalued asset on the retirement / disposal of such asset, if such amount is not Credited to Profit & loss A/c. (Amendment)

REDUCTION (−)

* Amount transfer from Reserves to Profit & loss A/c, if reserves created after debiting to Profit & loss A/c
* Income exempt U/s 10, 11, 12 {except 10(38), 10AA, 80-IA / 80-IAB / 80-IB / 80-IC / 80-ID / 80-IE}
* Depreciation debited to Profit & loss A/c (excluding Depⁿ on account of revaluation of assets)
* Amt. withdrawn from revaluation reserve and credited to P & L A/c to the extent of depⁿ on account of revaluation of assets
* Brought forward Loss (excl. dep.) or Unabsorbed Depreciation (AS PER BOOKS) whichever is less**
  - (a) loss shall not include depreciation
  - (b) If B/F loss or Unabsorbed depⁿ is Nil then nothing to be deducted
* Amt. of Deferred tax, if any credited
* Amount of profits of Sick Industrial Co.

Became Sick Industrial Co. — to be deducted — A.Y. in which Net Worth ≥ Accumulated Losses

POINTS TO REMEMBER

↳ Co. can carry forward losses and depreciation

↳ Co. liable to pay advance tax, Intt. U/s 234A, 234B & 234C, Penalty for Concealment

↳ MAT Credit shall be allowed to be carry forward & set off upto 10 A.Y.s**

↳ **MAT Credit Available = Tax paid U/s 115JB − Tax payable under Normal provisions**

↳ Mat Credit allowed in AY in which Tax payable under the normal provisions > Tax payable U/s 115JB

↳ MAT Credit to be allowed shall be
(Tax payable under the normal provisions of Act − Tax payable U/s 115JB)

↳ MAT Credit available in hands of Company shall not** be allowed to LLP.