By-Shubham Pahuja(08.12.2016)

MAT

S.NO	Section	About	Key Points			
1	**115JB(1)**	**Charging Section**	**1 In Case of Domestic Companies**		**2 In Case of Foreign Companies**	
			-Tax as per Normal Rules (As increase by Surcharge 7/12% and education cess of 3% As Decreased by Marginal relief)	**Whichever is Higher**	-Tax as per Normal Rules (As increase by Surcharge 2/5% and education cess of 3% As Decreased by Marginal relief)	**Whichever is Higher**
			-Tax as 18.5% of Book Profits (As increase by Surcharge 7/12% and education cess of 3% As Decreased by Marginal relief)		-Tax as 18.5% of Book Profits (As increase by Surcharge 2/5% and education cess of 3% As Decreased by Marginal relief)	
2	**115JB(2)**	**Prepration of Profit & Loss A/c**	**1** Every company shall prepare its profit & loss a/c as per Schedule VI of Co Act,1956 If a co is bound by any other act then accounts should be prepare as per relevant act	**2** A/c policies,Standards & Method/Rates of Dep should be same as of P&L present before memberes in AGM	**3** Agar Different FY follow ho rhe hai to accountin policeies/Std and Dep Rates/Policies sholud be same for the financial year falling within the relevant PY (Mainly In case of MNCs)	
3	**115JB(7)**	**Lower MAT Rate for Units Located in IFSC**	**1** 18.5% Book Profit ki jagah 9% hoga MAT			
4	**Explanation 1 to Sec 115 JB**	**Computation of Book Profits**	**Book Profit means Net profit in as Shown in P& L a/c:-**			
			Section	**As INCREASED By(only if already debited)**	**Section**	**As DECREASED By(only if already credited)**
			(a)	Amount of Income Tax paid or payble,and the Provision therof and Include -CDT -Interest on Income Tax -Surcharge & Cess (STT,CDT,Interest Paid under other acts,Penalities under IT Act,not to be added back)	**(i)**	Amount Withdrawn from any reserve or provision Only if Explanation 1 to Section 115JB me add back ho chuka ho (koi bhi amt jo withdraw hui ho reserves se credited to P&L shall be reduced from Book Profits only if agar vo reserve book profits se bana hai to) (i.e Reserve has been created by debiting P&L A/c)
			(b)	The Amount Carried to any reserve by Whatever name called (Cahe RBI ne kha ho Cahe 80IA,10AA etc me ho and also Excess Provision in nature of reserve to be added back)	**(ii)**	koi Sec 10,11,12 se income hai vo (Except Provisions contained u/s 10(38)) Income nai htayi to exp bhi kyu htaye
			(c)	Amount set aside for provision made for meeting liabilities and other ascertained liabilities	**(iia)**	Amount of Depreciation Debited to P & L A/c (Excluding Depreciation on accouint of Revaluation of assets)
			(d)	Provision for Losses of Subsidiary ompanies (Even actual loss of subsidy debited to P&L shall be added Back)	**(iib)**	Amount jo revaluation reserve se nikala hai or jo credit to P&L hua hua tha...use to the extet of amount of depreciation on account of Reval tak
			(e)	Amount of Dividend Paid or Proposed (Equity & Prefrence Both)	**(iic)**	Share from AOP/BOI which is exempt u/s 86
			(f)	koi Sec 10,11,12 ke under exp hai vo (Except Provisions contained u/s 10(38)) Income nai htayi to exp bhi kyu htaye	**(iid)**	agar foreign co hai to uski sari incomes jo - Capital Gaings on securities -Interest,Royalty or fees for Technical Services In dono se related hoti hai or income taxable hai @ less than 18.5%
			(fa)	Exp related to income ,being Share of Assesse in AOP/BOI which is Exempt u/s 86	**(iie)**	A-Notional gain {47(xvii) (1200-1000 = 200)} B- Notional gain {47(xvii) (200-100 = 100)} C-Normal gain on transfer (2400-1320=1080)
			(fb)	agar foreign co hai to uske sare exp jo - Capital Gaings on securities -Interest,Royalty or fees for Technical Services In dono se income related hoti hai or income taxable hai @ less than 18.5%	**(iif)**	
			(fc)	Jo Notional Loss hota hai at time of exchange of shares with units of Business Trust ..which are exemot u/s 47(Xvii)	**(iig)**	Amount of Income jo royalty(of patent chargable to Tax u/s 115BBF(10%)) se relate hota hai (For Resident only)
			(fd)	Amount of Expenditure jo royalty(of patent chargable to Tax u/s 115BBF(10%)) se relate hota hai (For Resident only)	**(iii)**	Loss Brought forward or Depreciation brought forward -Whichever is Lower {Loss Shall Not include Depreciation,agar dono me se kuch bhi NIL hota hai to NIL shall be deducted} Agar 3-4 salo ke losses or dep aa rhe hai to sbko combined krke dekhenge}
			(g)	Amount of Depreciation (Entire Depreciation including Revaluation Dep)	**(iv)**	Sick companies ke profits....Baksh diya becharo ko
			(h)	Amount of Defered Tax and the provision therefor	**(v)**	Amount of Defered Tax
			(i)	Amount set aside as Provision for dimunition in value of any assets (Include Provision for Doubtful Debts and for Provision for Diminution as per AS-13/28)		
			(J)	Amount standing in revaluation reserve relating to revaalued assets on retirement or disposal of such asssets		
			(k)	Total gain u/s 47(xvii) (2400-1000 wala example)		
5	**Explanation 4 to Sec 115 JB**	**Non-Applicability of MAT on Certain Foreign Companies**	A-Jin companies ke sath humara DTAA hai if they don't have any PE in India B-Jis Company ka koi DTAA nai hai or agar use kisi act me registeration krwana compulsory nai hai to			
6	**Section -115JB(3)**	**Carry Forward of Losses & Depreciation**	Company can carry forward B/F Losses and Depreciation to extent it could C/F had MAT not been there			
7	**Section -115JB(4)**	**Furnishing of Report**	CA ki Report cahiye har case me ye show krne ke liye ki Company ne jo Book Profits jo nikale hai vo sai hai ya nai			
8	**Section -115JB(5)**	**Applicability of other Provision of Income -Tax Act**	Other other Provisions of this Act shall apply to every company ,Mentioned in this Section	So,The company to which MAT apply shall be liable to Pay Advance Tax,234A/B/C ,Penalties etc. also		
9	**Section -115JAA**	**MAT Credit**	MAT Credit Available = Tax Payble under normal provision of Income Tax-Tax Payble under normal provision of Income Tax, had 115JB not been there	MAT credit shall be allowed in year in which:- Tax Payble under normal provision of Income Tax is greater than Tax Payble under normal provision of Income Tax	MAT credit to be allowed shall be:- Tax Payble under normal provision of Income Tax minus Tax Payble under normal provision of Income Tax	MAT credit can be Carried forward upto 10 A/Y No Interest is available on MAT credit
10	**General**	**Some Important Case Laws related to MAT**	APOLLO TYRES LTD VS CIT(SUPREME COURT)(2002)	MALAYALA MANORAMA CO. LTD.(SUPREME COURT)(2008)	N.J.JOSE AND CO (P) LTD VS ACIT(2010)(KER)	

By-Shubham Pahuja(08.12.2016)