AS 22: ACCOUNTING for DEFFERED TAXES.

A. Permanent Diff. IGNORED.

B. Timing Diffrences.

[SAVE NOW, PAY LATER]

I.

Accounting Income > Tax Accounting Income

OR

Accounting Expenses < Tax Accounting Expenses.

II.

Accounting Income < Tax Accounting Income

OR

Accounting Expenses > Tax Accounting Expenses.

Under I:

ⓐ If very 1st Time or DTA Not available → $\boxed{\text{Create DTL}}$ → P/L A/c Dr To DTL

OR

ⓑ subsequent Diffrence & DTA available → $\boxed{\text{Reverse DTA}}$ → P/L A/c Dr. To DTA

Under II:

ⓐ If very 1st Time or DTL is ~~avail~~ not available → $\boxed{\text{Create DTA}}$ → DTA A/c Dr. To P/L A/c

OR

ⓑ If subsequent diff. & DTL is available → $\boxed{\text{Reverse DTL}}$ → DTL A/c Dr. To P/L A/c.

Current Period's Tax Expenses:

Current Taxes Paid + DTL or DTA Reversed − DTA or DTL Reversed

(as computed under Income Tax.
- Normal Rates or
- u/s 115JB MAT)