

b) Para 15:- Para 15 is applicable to all Deductible Timing Differences other than those Covered in Para 17:-

eg:- Depreciation
Prov. for Doubtful Debt
Sec 43B Exp. } aaj Disallow Ho gaya
Future me deduct Hoga

DTA Can be Recognised on these items Subject to Reasonable Certainty of Future Taxable Income.

Future Taxable Income se
↓
Agar Future Taxable Income Kamane Ki RC Hai IT

12) Once DTA/DTL is Created on the Expectation of Future Tax Savings or Future Tax Liabilities, but suppose such Expectations reduced or not met after some time then DTA/DTL should be Reversed.

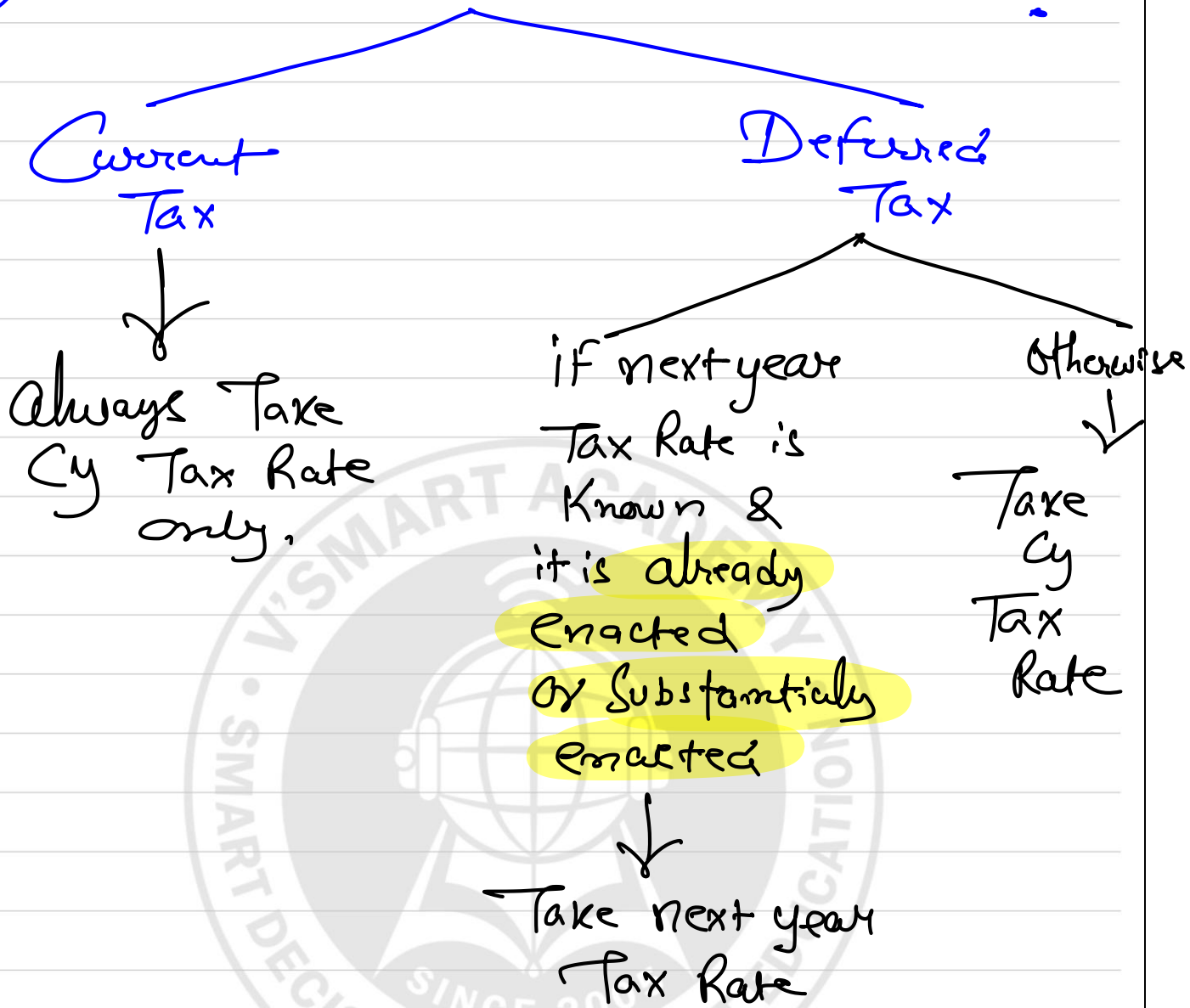
Reversal of DTA

P&L Dr.
To DTA

Reversal of DTL

DTL Dr.
To P&L

13) Which Tax Rate Should be Used?



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Calculation of CT

	<u>1</u>	<u>2</u>	<u>3</u>
PBT	(200000)	100000	120000
Loss c/f & b/f OFF	200000	(100000)	100000
Taxable Income	0	0	20000
CT @ 40%	0	0	8000

Calculation of DT

	<u>1</u>	<u>2</u>	<u>3</u>
Timing Differences Oping	0	200000	100000
T.D Created Loss c/f	200000	-	-
T.D Reversed	-	100000	100000

Tax Slab (new scheme) Ay 25-26

0 - 300000 \Rightarrow Nil

300000 - 700000 \Rightarrow 5%

700000 - 1000000 \Rightarrow 10%

1000000 - 1200000 \Rightarrow 15%

1200000 - 1500000 \Rightarrow 20%

Above 1500000 \Rightarrow 30%

Company
↓
30%

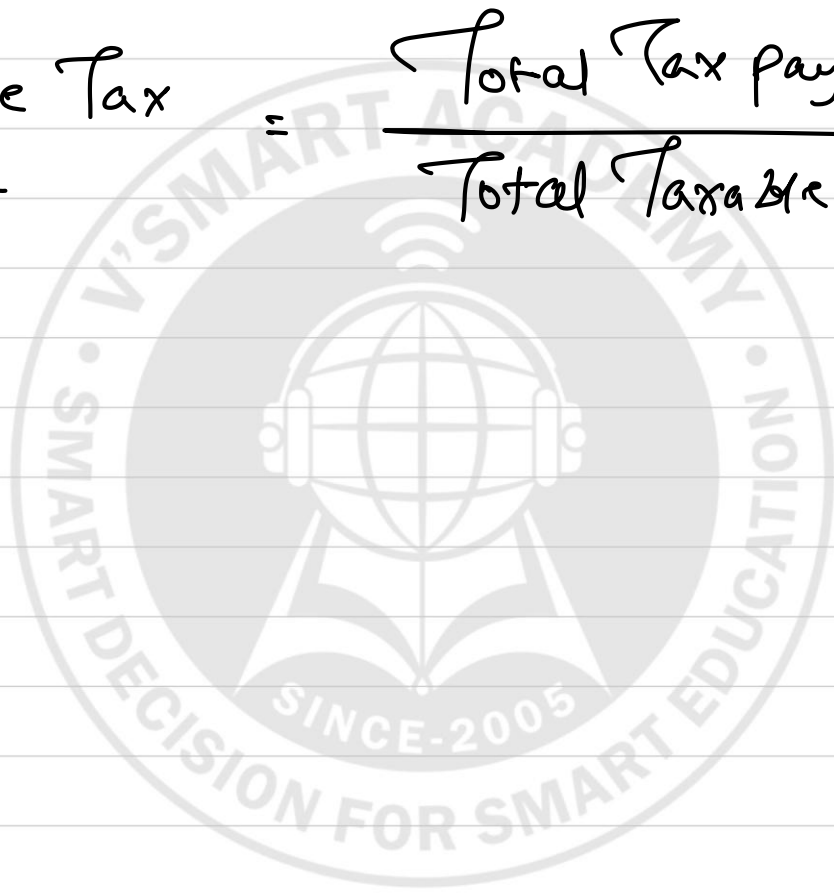
Taxable Income = 1800000

Tax including 4% Cess = 239200

Effective Tax = 13.29%

14) In Case of Individual Assessee Where Tax is Charged as per Slabs, then DTA/DTL shall be Created as per "Effective Tax Rate"

$$\text{Effective Tax Rate} = \frac{\text{Total Tax Payable}}{\text{Total Taxable Income}} \times 100$$



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