

COC205 Corporate Tax Planning and Management [4 Credits]

Learning Objective: The course aims at providing the students a comprehensive introduction to Income Tax so as to enable them in computing income from different sources and also helps them in understanding the concept and importance of corporate tax planning. (Topics are covered based on the amendments made from time to time)

UNIT 1: Direct Tax laws (15 Hours)

Introduction – Residential Status – Incomes exempt from tax – Income from Salaries – perquisites – valuation of perquisites- tax treatment of different forms of salary income (includes practical problems) – Income from House Property – chargeability – computation of income from let out and self occupied house property (includes practical problems) - Profits and gains of business or profession – chargeability – deductions allowed in respect of expenses/ allowances – depreciation – expenditure on scientific research – amortization of preliminary expenses – amounts expressly disallowed under the act – maintenance of accounts by certain persons – special provision for deduction in case of trade, professional or similar associations (includes practical problems)

UNIT 2: Direct Tax laws (15 Hours)

Income from Capital Gains – chargeability – computation of capital gain – capital gains exempt from tax – short term and long term capital gains charged to tax (includes practical problems) - Income from other sources – clubbing of income – set off and carry forward of losses (includes practical problems) - Deductions from gross total income – Return of income and assessment – TDS - Interest (includes practical problems)

UNIT 3: Corporate Tax Planning and Taxation of Companies (15 Hours)

Tax Planning, Tax Avoidance and Tax Evasion - Corporate Tax Planning: Meaning and objectives – Scope of corporate tax planning – Types of companies – residential status of a company and tax incidence – Areas for corporate tax planning – Tax management – Assessment of income – Filing of returns - Taxation of Companies: Computation of income under the heads of income applicable to corporate assesses – Set off and carry forward of losses – Deductions available in respect of gross total income – Computation of taxable income – Tax liability of a company - Advance payment of tax. (Includes practical problems)

UNIT 4: Tax Planning (8 Hours)

Tax planning with reference to setting up a new business – Location of new business – Nature of business – Forms of organization – Tax planning in respect of newly established industrial undertakings in free trade zones – Newly established 100% export oriented undertakings – Tax planning in respect of industrial undertakings engaged in infrastructural development or other activities.

UNIT 5: Tax Planning (7 Hours)

Tax planning and corporate financial decisions -Tax planning vis-a-vis corporate capital structure – Investment decision – Dividend decision – Tax Planning with reference to specific managerial decisions - Purchase of assets out of owned funds or out of borrowed funds - Own or lease – Purchase by instalments or hire – Make or buy – Shutdown or continue - Tax planning and employees remuneration – Tax Planning in respect of Non-residents

Suggested Readings:

1. Singhanian, V.K., Direct Taxes: Laws and Practices, Taxman Publications, New Delhi.
2. Singhanian, V. K., Students' Guide to Income Tax, Taxmann Publications, New Delhi
3. Singhanian, et al, Direct Taxes: Planning and Management, Taxman Publication, New Delhi.
4. Bhagwati Prasad, Direct Taxes, New Age, New Delhi.
5. Mehrotra and Goyal, Direct Taxes – Tax Planning and Management, Sahitya Bhaavan, Agra.
6. Srinivas, Corporate Tax Planning, TMH, New Delhi.
7. Lakhotia, Corporate Tax Planning, Lakhotia, New Delhi