

Paper 4.2 – Tax Planning

Unit I

Introduction: tax planning, tax avoidance and tax evasion, objective of tax planning, Tax planning special reference to residential status, salary, Income from house property, capital gain and clubbing of income.

Unit – II

Tax Planning with reference to Location, Nature, size and form of Organisation of New Business.

Unit – III

Tax Planning for Financial Management Decisions: Tax Planning relating to Capital Structure Decision, Dividend Policy, Inter Corporate Dividend and Bonus Shares.

Unit – IV:

Tax Planning for Managerial Decision: Tax Planning in respect of Own or Lease, Sale of assets used for Scientific Research, Make or Buy Decisions, Repair, Replace, Renewals or Renovation and Shut Down or Continue Decisions.

Unit – V:

Special Tax Provision: Tax Provision relating to Free Trade Zones, Infrastructure Sector and Backward Areas, Tax Incentives for Exporters, Tax Planning with reference to Amalgamation of companies.

Suggested readings:

Ahuja and Gupta, “ Professional approach to Direct Taxes Law and Practice including tax planning,”, Bharat Law House Pvt. Ltd., New Delhi.

Mehotra, H.C. and Goyal, S.P. , “ Income Tax Law and Accounts including tax planning, Sahitya Bhawan Publications, Agra

Singhania, Vinod K. and Singhania, Monica – Corporate Tax Planning and Business Tax Procedures, Taxman Publications (P) Ltd.