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HOW TRADING FROM A CORPORATE ACCOUNT CAN HELP YOU TO SAVE TAXES?

Since I myself have started trading from a corporate account recently, I'll share about my reasons for doing so and how drastically it can help to reduce taxes.

1: Save taxes:

The prime objective was only and only to reduce taxes. There's no other reason to trade from a corporate account.

2: Form a Pvt Ltd company : I've formed up a Pvt Ltd company since that's what I was advised by majority of the people including my CA as opposed to LLP/HUF.

3: Claiming Expenses: This is the most beneficial aspect of a pvt ltd company.

You can literally claim any expenses in the name of the company. Some of them are:

- Rent expense: You can literally claim your office rent as an expense. Your registered office can also be your own house where you live.

Further you can also claim electricity expenses and what not.

- Entertainment expenses: This is the most exciting part of expense.

You can include your travelling expense too including your flight tickets, hotel stays, restaurant bills , etc.

- Meeting expenses:

Meeting client over dinner, to a theater show or to a sporting event such expenses are deductible.

Also for business purpose when you socialize and have a lot of meetings and visits to several places.

You can record all such transactions and reduce your tax

-Director's vehicle expenses

You can also show expenses of your Car's fuel and also it's maintenance.

- Buying appliances and gadgets:

Whatever you want to buy, buy it in company's name be it a phone, laptop, tablet, etc. It can be considered a company's expense which can further reduce your tax liability.

4: Buying assets: One can also buy any assets such as a house or a car directly from the pvt ltd company.

This is a better option then transferring money into your own account since it leads to double taxation.

5: Lower surcharge: Surcharge in Pvt ltd company only lies between 7%-12% as compared to an individual where it varies between 10%-37%.

6: Claiming depreciation: Whenever you buy any asset from the company, it can also be used to claim depreciation which further reduces the tax liability.

Claiming depreciation is not very easy in individual accounts.

7: Gst benefits: You can buy all the assets from the company and can also claim GST benefit against it.

As traders, we already pay gst on brokerages. So why not offset it?

8: If you want to withdraw steady income you can pay fees/salary to the director.

9: Yearly Income: Although the benefits are endless, so are the costs and paperwork.

It's always advisable to only go for a pvt ltd when your yearly income is well above 50 lakhs minimum.

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<https://t.co/uNlrqg5aDP>

11: Also check out my Youtube Channel for trading strategies videos which I've posted : <https://t.co/kgbuQnJjeo>