Two Business Owners.
Same Revenue. ■6.6 Lakh Difference in Tax.

This is not about tax evasion. This is about decisions made before March 31st.

MURUGAN — Paid ■16.2 Lakhs Tax	KRISHNAN — Paid ■9.6 Lakhs Tax
Revenue: ■80 Lakhs	Revenue: ■80 Lakhs (same)
Declared profit: ■24 Lakhs	Declared profit: ■24 Lakhs (same)
✗ No salary to wife (she works daily)	✓ Wife salary: ■2.4L (documented, justified)
✗ No depreciation claimed on vehicle	✓ Vehicle depreciation: ■1.2L claimed
✗ No business expenses documented	✓ Documented business expenses: ■1.8L
✗ LIC premium: personal account	✓ LIC premium: business account, Form 12BB
✗ No HUF structure	✓ HUF created, ■1.5L split
Tax paid: ■16,20,000	Tax paid: ■9,60,000

Difference: ■6,60,000 — Same revenue. Same profit. Different decisions.

The 9 Decisions That Created the ■6.6 Lakh Gap

1. **Family salary planning** — **Saves: ■2,40,000**
Pay a documented salary to your working spouse/parents. Legal. Reduces your taxable income.

2. **Vehicle depreciation** — **Saves: ■1,20,000**
If your vehicle is used for business — claim it. Keep a logbook. It is your right.

3. **Business expense documentation** — **Saves: ■1,80,000**
Every meal, travel, subscription used for business — document it. Receipt = deduction.

4. **HUF creation** — **Saves: ■1,50,000**
A Hindu Undivided Family is a separate tax entity. Legal split = separate slab benefit.

5. **LIC/Insurance routing** — **Saves: ■30,000**
Premium from business account with Form 12BB = business deduction.

Decisions 6 to 9 — The ones no one talks about

6 **Home office deduction** — **Saves: ■24,000+**
If you work from home — part of your rent/electricity is a business expense. Document the ratio.

7 **Advance tax timing** — **Saves: ■18,000+**
Paying advance tax on time saves 1% per month interest. Most business owners skip this.

8 **Capital gains timing** — **Saves: Varies**
Selling assets? Timing the sale across two financial years splits the gain across two slabs.

9 **Business structure review** — **Saves: ■1,00,000+**
Proprietorship vs LLP vs Pvt Ltd — wrong structure costs 10-15% more tax every year.

The one rule that protects every deduction you claim:

DOCUMENTATION IS EVERYTHING.

Every deduction is legal. Every deduction is at risk without a paper trail.
Receipt + purpose + date = deduction that survives any scrutiny.
No receipt = officer can disallow it. Even if it is 100% legitimate.

When to do this planning — The Calendar That Matters

April – June	Set up your structure. HUF, salary decisions, business account separation.
July – September	Review Q1 expenses. Ensure all receipts filed. Check advance tax liability.
October – December	Mid-year review. Adjust salary payments. Book any pending business investments.
January – February	Final planning window. Last chance for LIC, PPF, capital gain timing decisions.
March 31st	Deadline. After this date, nothing can be changed for that financial year.

Your Annual Tax Planning Self-Audit

Check each item before March 31st every year. A missed tick = money paid unnecessarily.

STRUCTURE

- [ ] Business structure reviewed this year (Proprietorship / LLP / Pvt Ltd)?
- [ ] HUF created if applicable?
- [ ] Family member salaries documented with appointment letter + bank transfer?
- [ ] All business accounts separate from personal accounts?

INCOME SPLITTING

- [ ] Spouse / parent salary paid monthly with TDS deducted?
- [ ] Income from investments held in lowest-slab family member name?
- [ ] Capital gains timed across financial years where possible?
- [ ] Rental income structured correctly (co-ownership)?

EXPENSES

- [ ] All business expenses have receipts filed month-wise?
- [ ] Vehicle logbook maintained for business usage percentage?
- [ ] Home office usage ratio documented?
- [ ] Phone / internet / subscriptions split between business and personal?
- [ ] All travel for business documented with purpose noted?

INVESTMENTS

- [ ] 80C limit of ■1.5L fully utilised (LIC, PPF, ELSS, principal repayment)?
- [ ] 80D health insurance premium paid and documented?
- [ ] 80G donations made to eligible institutions with receipts?
- [ ] NPS contribution under 80CCD(1B) — additional ■50,000 deduction?
- [ ] Interest on education loan (80E) claimed if applicable?

COMPLIANCE

- [ ] Advance tax paid on time (June / Sept / Dec / March)?
- [ ] All TDS deducted and filed before due date?
- [ ] GSTR-1 and GSTR-3B filed on 11th and 20th every month?
- [ ] Books of accounts updated and reconciled?
- [ ] Last year ITR verified and acknowledgement saved?

Ready to find your ■6 lakh gap?

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