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## Taxation in a company

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Mukesh Bajaj 24 January 2020

how much income tax is charged on the directors , as they get salary? as my concern is that in a sole proprietorship the owner pays the tax as per the profits earned by the firm in a financial year , how it goes in a company ?



Roshni (Studwnt) 24 January 2020

Normal slab rate applies. however TDs had to be deducted under sec 192



Kapadia Pravin 24 January 2020

In a Company both Company and Directors are different entities.

A Director getting salary is in capacity of an Employee. It's Salarexpenditure for Company.

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Whereas in proprietary company, both proprietor and owner are same.



••• [Mukesh Bajaj](#) [🕒 24 January 2020](#)

So the profit of the company is considered the income of directors ? and they are liable for taxes ?



••• [Roshni \(Studwnt\)](#) [🕒 24 January 2020](#)

Director gets a fixed pay...profit of company is of shareholders.



••• [SIVASIVA \(FCA, Future CA\)](#) [🕒 24 January 2020](#)

Director in a company will have to pay taxes on Salary income plus Capital gains income from sales of his shares if any plus other Gifts/Incentives covered under 'Income from other sources'

For sole prioprietors, it is taxed under 'income from business'.

TDS will play a major role for Director's while submitting returns.



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