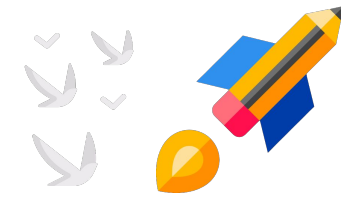


UDES*H *REGULAR

FOR GROUP-1, MAY 2024

- Subject- Income Tax
- Chapter- Heads Of Income – Capital Gain
- Lecture No.- 3

Recap of Previous Lecture

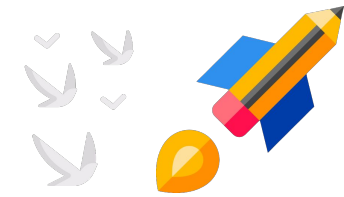


Topic

Transfer & Special cases of CG

PHYSICS
WALLAH

Topics to be Covered



Topic

Special cases of CG

PHYSICS
WALLAH

Topic: SPECIAL CASES



Q1
1

PY 2022-23
In Hands of Mr. Y.

FVC			₹
(-) T. exp			1,00,00,000
			<hr/>
		MC	1,00,00,000
(-) ILOA	$200000 \times 348/100$		6,96,000
(-) ILOI	$300000 \times 348/105$		9,94,286
(-) ILOI	$400000 \times 348/240$		580,000
			<hr/>
		LTY →	<u>77,29,714</u>

Q2

PY 2020-21

In hands of X No Tax Impl. as Gift is Not a Transfer.

In hands of Y

U/H 02 → Gift Taxable As SDV exceed ₹50,000

Taxable Gift = SDV i.e. 5,00,000

↳ WOA for land In hands of Mr. Y

PY 23-24

In hands of Y

U/H 44

Post 1/11/20 - 31/12/23

38m Hold

FVL
(-) IWA

₹
25,00,000

5,00,000 × $\frac{\text{IF 23-24 i.e. 348}}{\text{IF 20-21 301}}$

5,78,073

1744

19,21,927

Q6

2009-10 Year of Conversion of CA Into SIT

No Tax Implication will Arise. Cap. gain shall be Taxable In the Year In which converted SIT is Sold

FVL (FMV on Conv. date)	11,00,000
(-) Tikeup	
	<hr/>
	11,00,000
(-) I.C.O.A	4,44,000
3L x $\frac{IF\ 09-10\ ie\ 148}{IF\ 01-02\ ie\ 100}$	
174	<hr/>
	656000 =

Py 21-22

QURP

$$\begin{aligned} \text{Business Income} &= \text{Sale} - \text{Cost of Conv. SIT} \\ &= 650000 - 11,00,000 \times 50\% \\ &= 1,00,000 \end{aligned}$$

CP

$$174 = 656000 \times 50\% = 328000$$

$$TI = 1,00,000 + 328000 = 428000$$

PY 23-24

PURP

$$\begin{aligned} \text{Business Income} &= \text{Sale} - \text{Cost of Conv. SIT} \\ &= 750000 - 1100000 \times 50\% \\ &= 200000 \end{aligned}$$

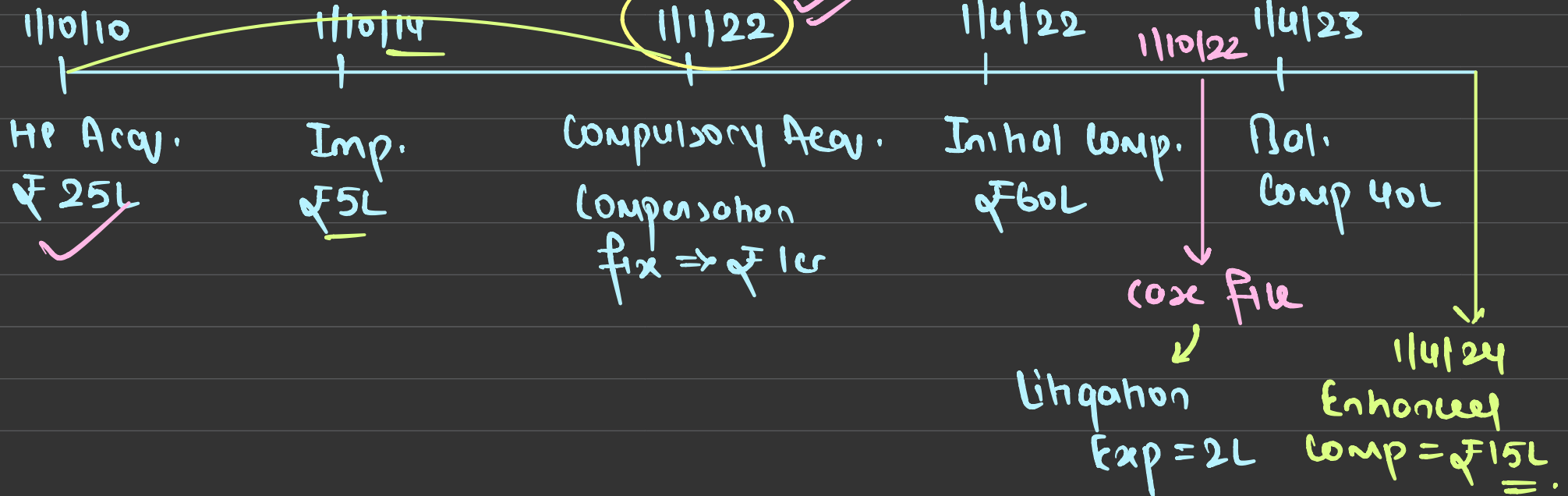
LTU

$$\text{LTU} = 656000 \times 50\% = 328000$$

$$T1 = 200000 + 328000 = 528000$$

Case 3

Compulsory Acquisition of Immovable Property



- Transfer \Rightarrow Year in which Asset Is Compulsorily Acquired
- FVC \Rightarrow Compensation fixed
- Taxability \Rightarrow In the year in which Initial Comp. is Recd.
- Balance Compensation \Rightarrow No Tax Implication.
- Enhanced Compensation \Rightarrow Taxable in Year of Receipt v/t CY
 - Litigation Exp allowed as deduction
 - \rightarrow Nature = LTU/STU \rightarrow dep on Original CY

PY 21-22 :- No Tax Implication. Cap. Gain shall be Taxable in the year in which Initial Comp. Recd.

PY 22-23 :- Initial Comp. Received

P.O.H 1/10/10 - 31/12/21

FVC (Compensation fixed)

(-) T. Exp

(-) I.L.O.A

(-) I.W.I

25LX

5L X

Net Conduction

IF 21-22 ie 317

IF 10-11 ie 167

IF 21-22 ie 317

IF 14-15 ie 240

₹
1,00,00,000

1,00,00,000
(47,45,509)

(6,60,417)

1714

45,94,074

PY 23-24 Balance comp \Rightarrow No Tax Implication.

PY 24-25 Enhanced comp. Revenue

E/H comp. Revenue
 \rightarrow litig. Exp

	₹
	15,00,000
	<u>2,00,000</u>
1714 \rightarrow	<u><u>13,00,000</u></u>

Conversion of SIT Into CA

11/4/20

11/2/24

Jewellery (SIT) convert
into Cap. Asset

Jewellery Sold
₹ 35L

FMV = 15L

B.I

CA
COA

SIT conv. into CA \Rightarrow FMV on date of conversion = Business Income

Also COA of converted CA
P.O.H = Determine from date of conversion.

PY 23-24 by Arise on sale of Jewellery.

P.O.N 11/4/20 - 31/1/24 (> 36M)

FVC		₹
(-) T. exp		35,00,000
	MC	<u>35,00,000</u>
(-) IWA	<u>15LX IF 23-24 ic 348</u>	
	IF 20-21 ic 301	17,34,219
	LTU	<u><u>17,65,781</u></u>

Partner → CA contribute In a firm As a capital contribution

Partner (Transferor) $\xrightarrow[As\ a\ capital\ cont]{18/10\ CA\ eq\ bond.}$ firm (Transferee)

FVC In hands of Partner = Value @ which Asset is recorded in BOA of firm.

In hands of 2

14 23-24

Share \Rightarrow Imported Car
 \Downarrow
100%
%

FVC (value @ which shares are recorded in books of firm)

4,00,000

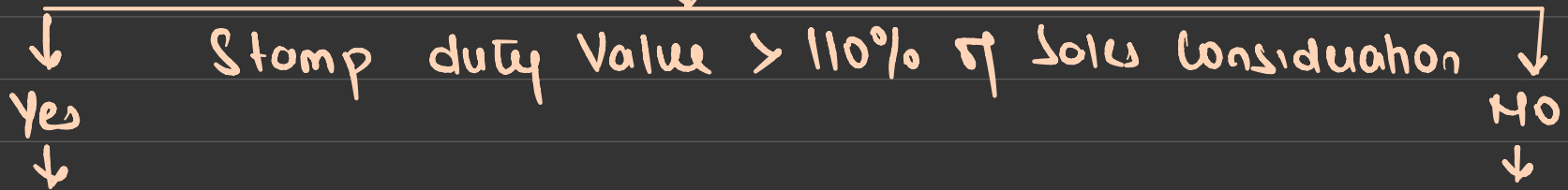
(-) 100A 48000 x IF 23-24 i.e. 348
IF 07-08 IC 129

129488

144 \rightarrow 2,70,512

Break = 5 min \Rightarrow Resume 11:35

S.50C FVC In case of Immovable Property



FVC = SDV.

FVC = Sales Consideration.

Case 1

SDV \Rightarrow 1,00,00,000 Sales Consideration = 1,20,00,000

FUC = Sales Cons. = 1.20x

Case 2

SDV = 1,00,00,000 Sale Consideration = 95,00,000

↓

+10%

110% of SC

1,04,50,000

FUC = Sale Consider. ic = 95,00,000.

Case 3

SDV = 1,00,00,000

Sales Consideration = 90,00,000

↓

110% \Rightarrow ₹ 99,00,000

FUC = SDV ic i.e. As SDV > 110% of SC

Case 4

SDV = 52,00,000

SC = 47,50,000

↳ 110% = 52,25,000

FUC = 47,50,000

Coz 5

$$SDV = 52,00,000$$

$$SC = 47,00,000$$

$$\rightarrow 110\% = 51,70,000$$

$$FUC = SDV \text{ As per } SC \text{ ic } 52,00,000$$

$$SDV > 110\% SC$$

Coz 5

$$SDV = 52,25,000$$

$$SC = 47,50,000$$

$$\rightarrow 110\% = 52,25,000$$

$$SDV > 110\% SC$$

↓

$$\text{No/Mani} \rightarrow SDV = 110\% SC$$

↓

$$FUC = SC \text{ ic } 47,50,000.$$

$$SDV = 1L$$

$$SC = 80L$$

$$\rightarrow 110\% = 88L$$

$$SDV > 110\% SC \therefore FUC = 1L.$$

Assessee \Rightarrow SDV > FMV.

1cr. Value
cost



AO \Rightarrow Refer back to Valuation officer.

SDV = 1cr. Assessee declared SC = 80L

Case 1

VO Value > SDV \Rightarrow 1,25,00,000



FVC = SDV i.e. 1cr

Case 2

VO Value < SDV but VO Value > Value decl. by Assessee

VO Value = 90L

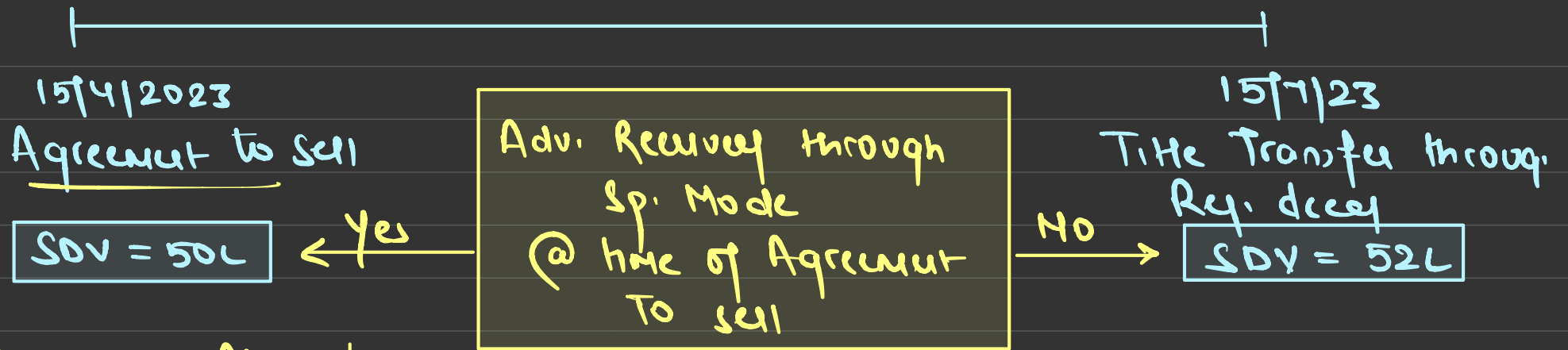
FVC \Rightarrow Value adopted by VO i.e. 90L

Case 3

VO Value < Value declared by Assessee

VO Value = 75L

FVC = Value decl. by Assessee i.e. 80L.



Adv. \Rightarrow ₹5L A/c Payee Chq

SDV = 50L

Adv. ₹5L Crossed Chq

SDV = 52L

Q11

PY 23-24

FUE

₹
50,00,000

(As per 50L, As SDV exceeds 110% of sales consideration ie SDV = 50L & 110% of SC = 38.50L, FUE cons. shall be SDV ie 50L)

(-) 100A	1,60,000	\times	$\frac{IF\ 23-24\ ie\ 348}{IF\ 01-02\ ie\ 100}$	556800
(-) 1001	350000	\times	$\frac{IF\ 23-24\ ie\ 348}{IF\ 13-14\ ie\ 220}$	<u>553636</u>

1744 \rightarrow 38,89,564

20/21/22/23/24 \Rightarrow (25)



Thank You