

Chapterwise Tricky points From Questions

PCBP → All points are covered in PCBP adjustments only.

Capital Gain:

① Transfer of Capital Asset in Reverse Mortgage is not taxable



But Cap Gain is taxable at the time of sale of Capital Asset by Bank for recovering the loan.

② Sale of Right entitlement → Always STCG applicable

③ Slump Sale → Depreciable asset

- For FMV → Book value / SDV
- For Net worth → WDV as per IT Act.

Eg. Building → dep Asset.

If Building revalued hai, to revaluation effect bli hatana padega

- For FMV → SDV because immovable property
- For NW → WDV as per IT Act.

If WDV as per IT Act is not given, Book Value is considered as WDV as per IT Act

④ Advance forfeited by previous owner is not deducted.

↳ If received before 1.4.14.

↳ Advance is always deducted before Indexation.

⑤ Cost of Improvement incurred before 1.4.01 is ignored.

#SabKarLenge

- ⑥ Sec 54 → upto 2 cr → 2 Houses allowed
→ 2 adjacent flats → even if purchased by 2 separate agreements
→ even if used by 2 tenants before purchase.

→ Sec 54 → Jo ghar purchase kiya hai,



It shall be used for residential purposes

But it is not necessary for buyer to use for his own residential purposes



The buyer can let out the house for residential purposes to anyone else also.

- ⑦ → Furniture → not allowed in 54G → dep Asset → always Spec
→ COA → wov for dep. asset

LTCG STCG

In Sec 54G, If there is both Spec and LTCG

Exemption should be first exhausted against Spec first, then LTCG.

↓
Because Tax rate for Spec shall be higher.
(Q30.)

- ⑧ 45CA, 9B →

for Sec 9B → FMV on the date when asset is received by partner.

⑨ ULIP →

→ ULIP is considered as Equity Oriented Fund

- ULIP Taxable at 10% in excess of 1,00,000 U/s 112A → Short term $\frac{112A}{15\%}$
- ULIP - Taxable under CG. LIP - Taxable under IPOS
- 10/15/20% → Deduction via Sec is allowed only upto this amount.
- ULIP issued before 1/2/21 → Taxable under IPOS as it is not a Capital Asset
- While computing 10/15/20% → we take 10/15/20% of sum Assured
- While computing CG U/s 45(1B) → we take Maturity proceeds (-) Prem. paid till now.

Various Entities

MAT

- ① Income from Units of UTI → Not deducted.
↳ It is not exempt anymore.

AMT

- ① When unabsorbed loss and unabsorbed depreciation, both are given, then
↓
PAPP Profit for IOPA dedⁿ shall be calculated by deducting **unabsorbed depreciation** only.
↳ Not unabsorbed loss

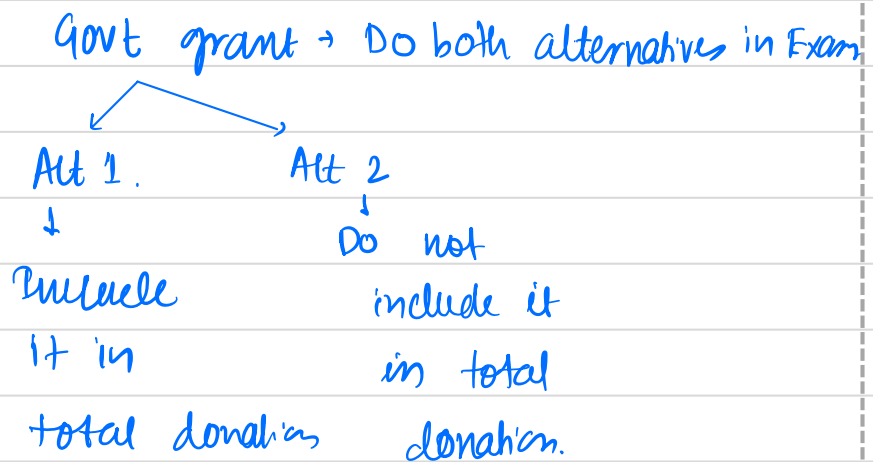
VDA

- ① Tax Rate - 30% on VDA Income (Consideration - COA)
- ② TDS Rate - 1% on Consideration.
- ③ VDA Income shall be taxable at 30% + 4% csn irrespective of other Income. BEL will not be exhausted

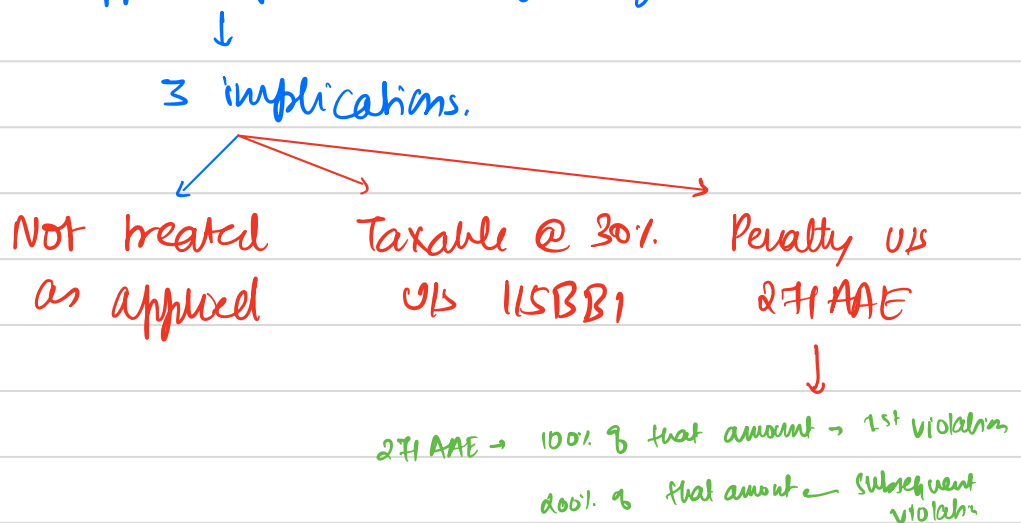
Trust and Exit Tax

① Income not invested in IIS > Safe Investment modes
↳ Taxable @ 30% U/S IISBB1

② Anonymous donation:



③ Income applied for the benefit of Related person



④ If loan already taken as applied in any PY, don't take repayment as applied again.

Business Trust

→ Int and div from SPV

↓
Taxable in hands of Unit holders

Other Interest and Dividend

↳ Taxable in hands of BT

Distribution of Income

For BT



Jitna distribute kiya,
Utna taxable in the
hands of UH.

For Inv Fund & Sec Trust



Kitna bhi distribute
karo, 100% taxable
in the hands of UH.

Buy Back

Rule 119A → Interest calculate → Tax liability nearest multiple of 100 round off kama padti hai.

↑
Kab lajega
or
Jab bhi assessee CG ko int pay karega.
or
Jab bhi CG Assessee ko int pay karega.

Jab bhi hum ce 119A me Interest calculate kare, to tax ko round off kama padega to lower 100 → Kyunki hume pashon ignore karna hai.

Transfer Pricing

- ① 94B → 30% of EBITDA me local Borrowing count nahi karte hai.
- ② Cost plus method → GP Margin → always taken on Sale
↓
unless mentioned in Question.
- ③ TNMM → Operating profit margin → Always taken on Cost
↑

NR Taxation

- ① Royalty/ Interest / Dividend Received - Net of TDS
- ② Royalty/ Interest / Dividend Earned → Gross
↓
Gross up karne ke liye
TDS Rate + lena padega
- ③ Interest - (I) & (II) → See IISA → In foreign currency
kona change
↓
Indian Concern or Govt → 20% Indian Co. → 5%
↓
If in Indian Currency, Tax Rate - 40%
- ④ FTS → approved by Govt → 10% } Paper me kuch
Not approved by Govt → 40% } nahi diya hai
to assume kar lena
approved hai.
↓
and assumption
likh dena.
- ⑤ NR ko Indentation available nahi hai.
- ⑥ Agar FTS ke consideration ke liye Debenture de
rahe hai → To NR ke hands me 2 Income taxable
hoga → ① FTS
② Interest on debentures.

#GadKarLenge

115 BAA BAB → generally asked points

- For 115 BAA → Set up date - 1-10-19. , 112A, dep - Half Rate + Capitalisation.
- scientific Contribution & 35(2AB) } → **Not allowed** allowed.
- In House Research → Revenue & Capital Expenditure 35(1)(i) ←
35(1)(iv)
→ allowed.
- 80JJAA death - 240/150 days applicability 80M → div paid or
div recd.
- Additional depreciation not allowed
- 115BAB Tax Rates
 - Bus Income - 15%
 - Prof/MP - 22%
 - STCG → dep - 15%
Non dep - 22%
 - special rates - special rates.

Search Survey

133 A	133 B
Survey	Power to collect info
Any place where BOM archip	Bus premises.
Bus place - Bus Inn Other - After sunrise Before sunset	Bus Hours.
→ Books Impound kar sakte hai 15 days	→ Books Impound nahi kar sakte.