

* Right shares → (Existing sh. holder se poocha Jaata hai ki thoda saaste mai buy karne hai toh Karlo)

(I) Tata Motors Market Value = 700 Rs
Right issue = 430 Rs. ✓

Purchase ✓

Cost 430 → (as a shareholder) ↓
POH start = share allotment ✓ (जैसे allot huge)

(II) Shares reannouce → Transfer

friend MV = 700 Rs
Right issue = 430 Rs

Per shares charges = 150
Right Transfer.

Transferer → Right issue transfer. (Cap Hf ⊖)

SV × 150 ← (extra charge for Right Hf Kio)
Cost 0
Short term 150
Cap Gain

(III) Friend share purchase

Cost Purchase price	430
+ Right Purchase	<u>150</u>
Cost	<u>580</u>
Per share	

POH = shares
allot.

Example :- Goodwill Purchase PY 16-17 for ₹ 30 lakh
 Cost ?? WDV = 30 lakh

16-17	25%
17-18	25%
18-19	25%
19-20	25%

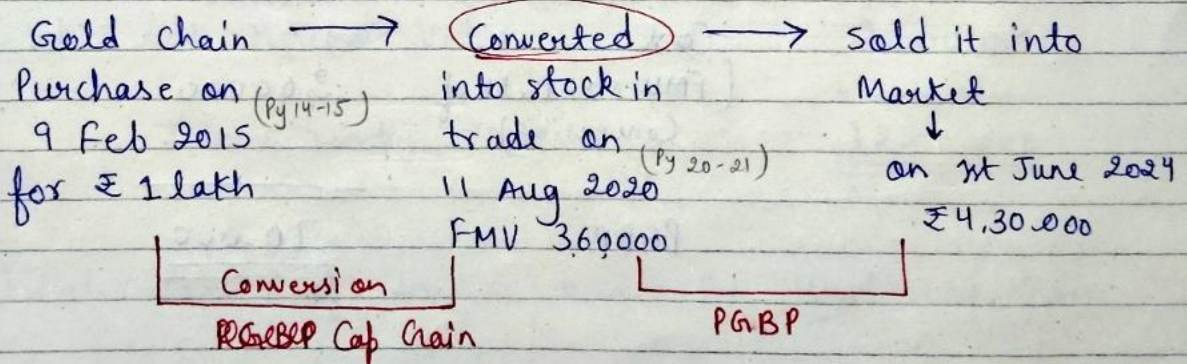
Cost = 949218

* Year of Chargeability :-

(1) Capital Asset → Taxability → year in which many or
 Destroy ?? other Asset is received
 from ins. Company.

* Conversion of Capital Asset into stock in Trade

Transfer ✓



Cap. Gains

- POH 9 Feb 2015 to 10 Aug 2020

Gold > 36 month = Long term Cap. Asset
Benefit of Indexation

Sale Value (FMV on Conversion)	3,60,000
(-) Cost (Indexed Cost)	3,00,000
	(1,25,417)
$\frac{1,00,000}{14-15} \times \frac{20-21}{240} \times \frac{301}{301}$	

Long term Cap Gain 2,34,583

- Stock in Trade Business \rightarrow PGBP

Sale Value	4,30,000
Cost (FMV on date of Conversion)	3,60,000
PGBP	<u><u>70,000</u></u>

Tax will be paid in the year in which money is received.

Conversion 20-21 (Transfer)
Sell 24-25

Cap. Gain Pay 24-25

* Conversion of S.I.T into Capital Asset

Building Purchase	→	Convert into Cap. Asset	→	Cap. Assets Sell
11 Dec 2009		on 6 May 2015		on 9 May 2024
₹ 20 lakhs		FMV 32 lakhs		for ₹ 40 lakhs
S.I.T				

Find income Taxable.

Sol

Stock in trade being Converted into Capital Asset

(A) Calculation of Income under the Head PGBP.

(a) Sale Value (FMV as on the date of Conversion)	32,00,000
(b) Less Purchase Value	20,00,000
Income under PGBP	<u>12,00,000</u>

(B) Calculation of Income under the Head Cap. Gain.

For Building

(i) Period of Holding → will be Considered from the date of Conversion
6 May 2015.

(ii) Indexation will be taken of ~~6 May 2015~~
PY 15-16.

(iii) Cost = FMV on date of Conversion.

∴ Sale Value 40,00,000
(-) Indexed Cost of acquisition (45,73,228)

(Cost Inflation Index) $\frac{\text{Per. Value}}{\text{C.I.I. of Year of Purchase/ Conversion}} \times \text{C.I.I. of Year Transfer.}$

$$\frac{321}{258} \times 363 = 573228$$

(increased)

* Section 45(5) Compensation and Enhanced Compensation

Land → Compensy acq. → 10 Cr. Compensation Record.

(Case)

Litigation → Enhanced Comp. 3 Cr. Received

Normal Compensation

Enhanced Compensation

Even if a part of the Compens. is received / full amt is taxable

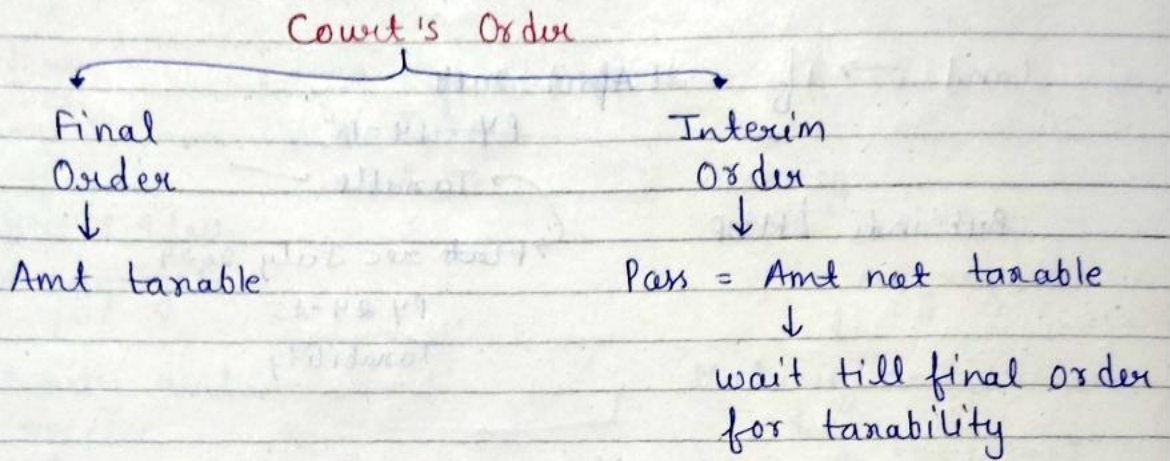
Taxable = As and when received.
(on receipt basis)

10 Cr.
[22-23 = 4 Cr.
25-26 = 6 Cr.]

27-28 1.2 Cr.
30-31 1.8 Cr.

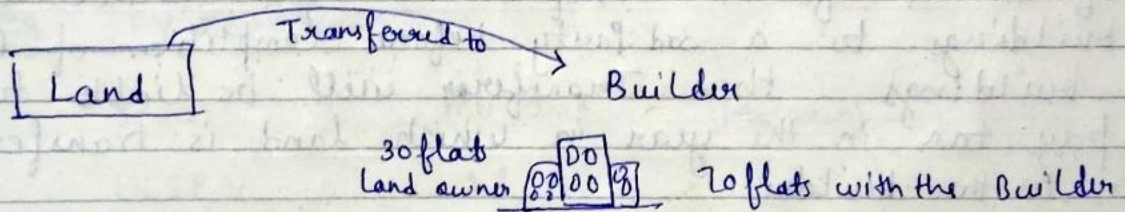
22-23 sec = 4 Cr.
 But full amt
 10 Cr. will be taxable

Taxable
 27-28 = 1 Cr.
 30-31 = 1.8 Cr.



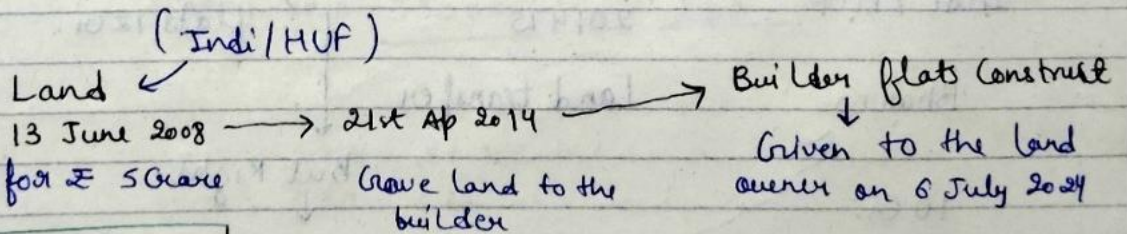
= Lec 8 21 May 2nd Lec

* Section 45(5A) Joint Development agreement



(JDA)

Eg



TDS
 194 IC = 10%
 JDA