

sec 7:- Income deemed to be received in India

- 1) Employee's contribution in excess of 12% in RPF of salary and interest credited in excess of 9.5% in RPF
- 2) Employer contribution to Nation Pension scheme of employee
- 3) Amount transfer from URPF (Unrecognised Provident fund) to RPF.

sec 9:- Income deemed to be accrued / Arise in India

- 1) Dividend paid by Indian company outside India.
- 2) Salary received by Indian citizen from Indian government for service rendered outside India

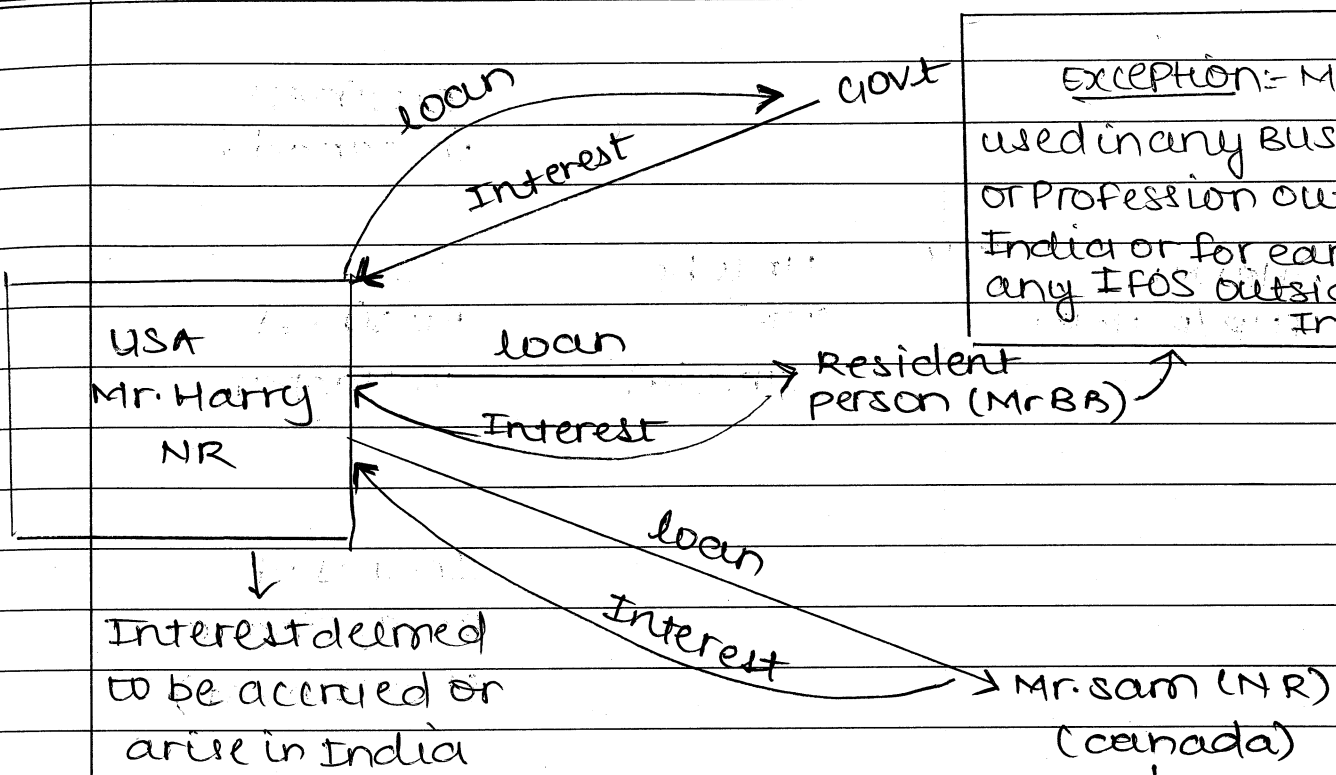
Note:- As per sec 10(7) Perquisite and Allowances are exempt.

- 3) Salary Income for service rendered in India whether such amount is received before or after the service.
Eg:- Gratuity, pension etc.

sec 9(1)(v) :- Interest

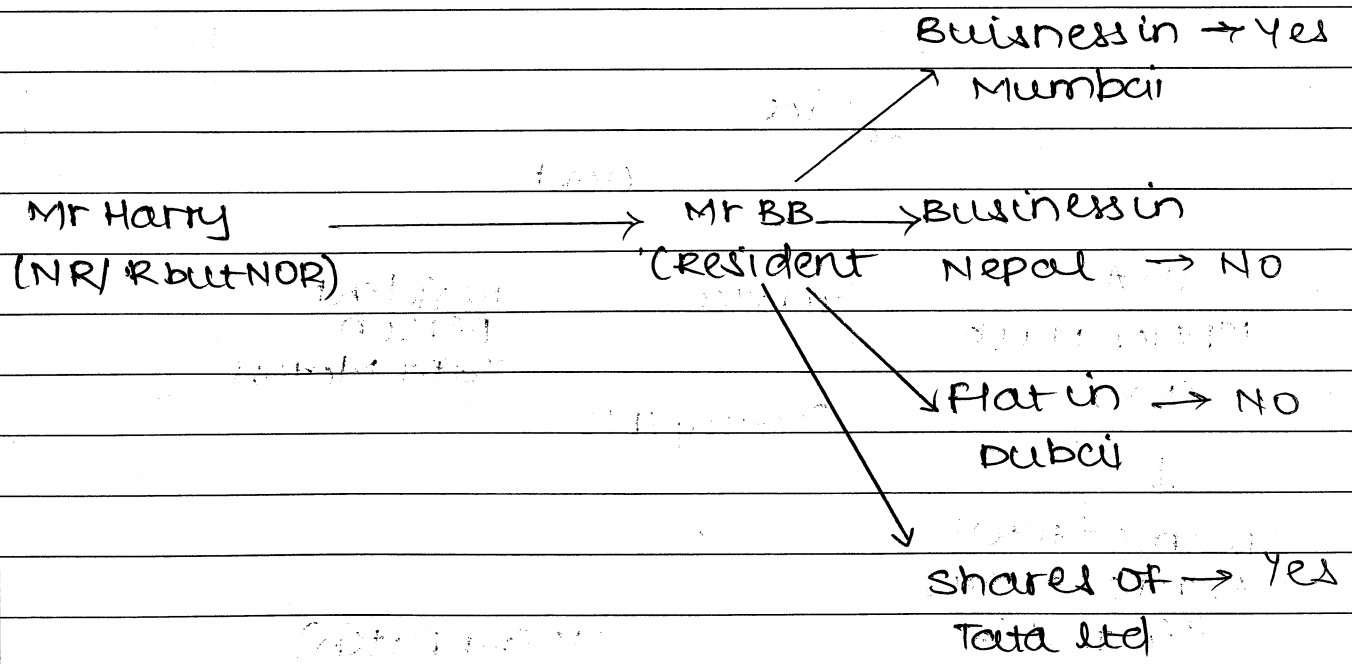
If any Interest is received by NR shall be deemed to be accrued or arisen in India in following cases -

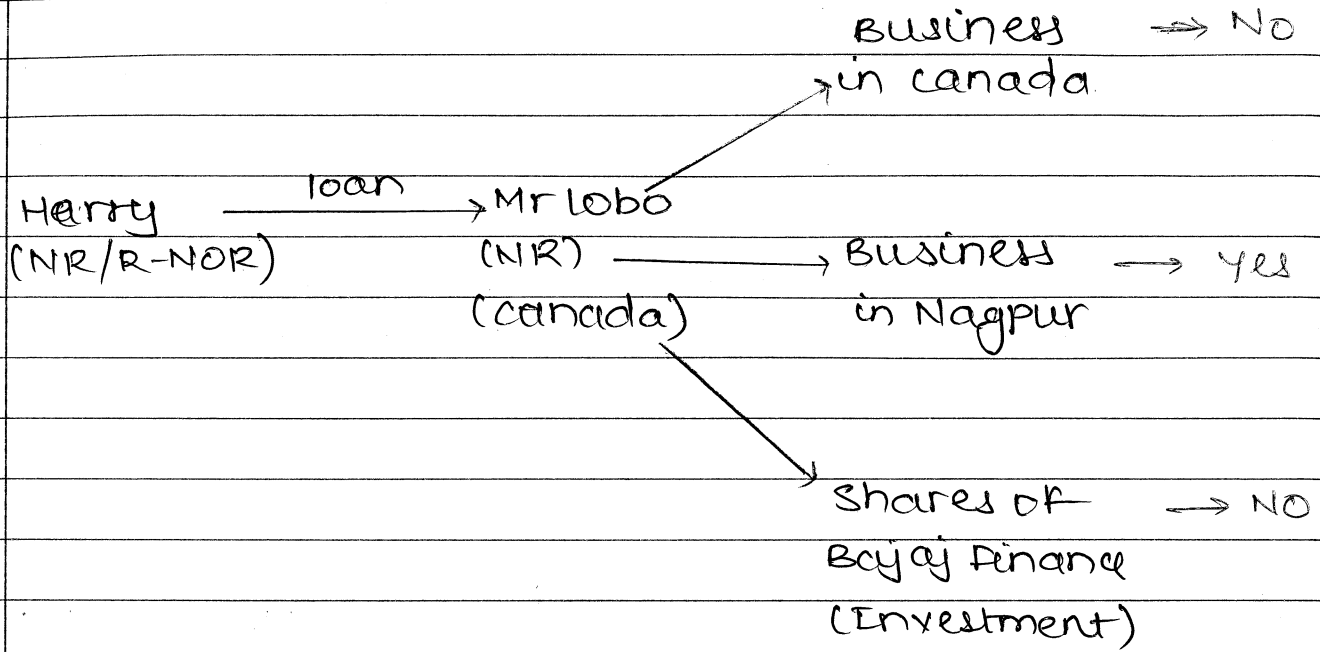
EXCEPTION:- Money used in any Business or Profession outside India or for earning any IFOS outside India



Interest deemed to be accrued or arise in India

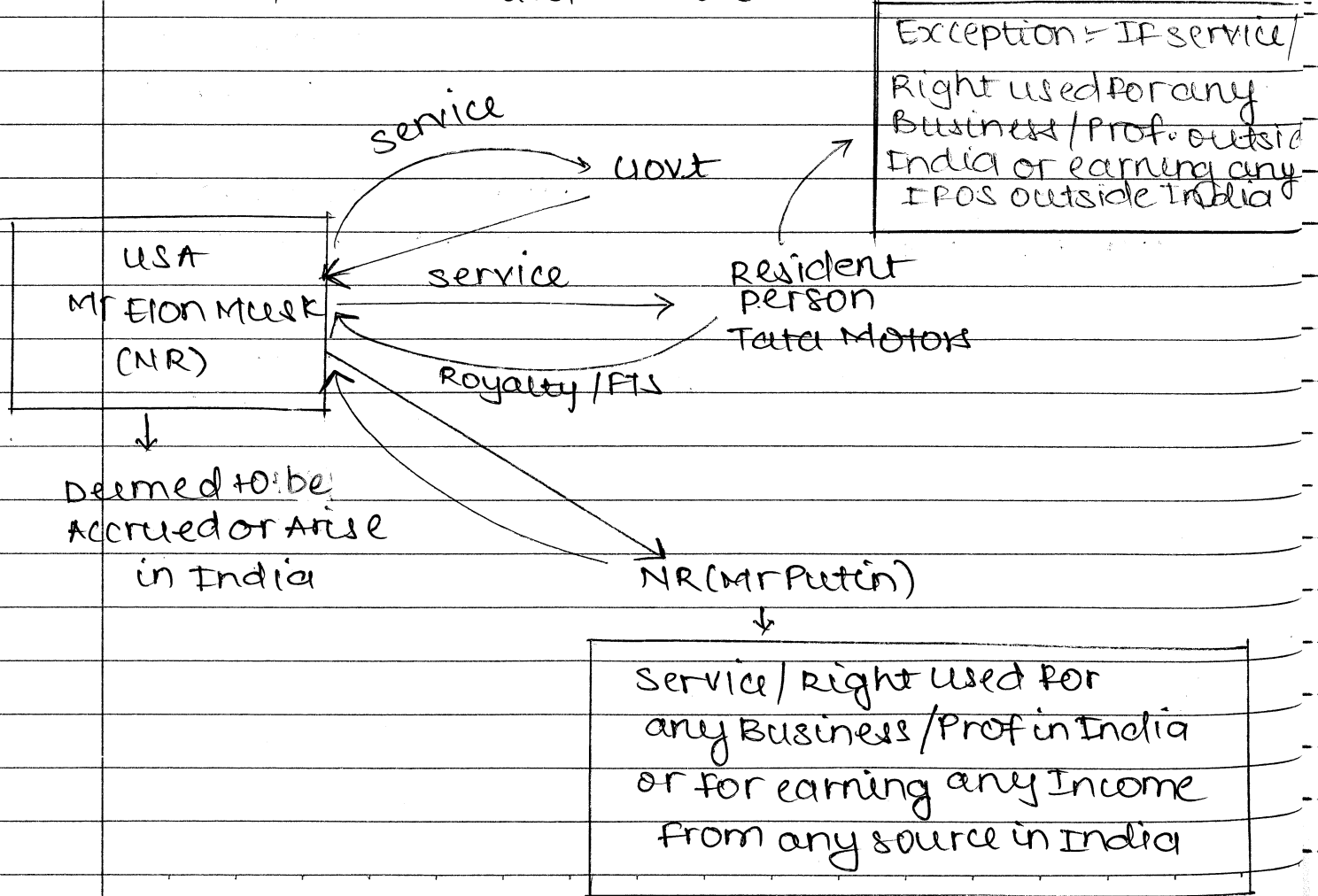
Money used for Any Business or Profession carried on by NR in India





Sec 9(1)(vi)/(vii) - Royalty / fees for technical services

In following cases Royalty / FTS is deemed to be accrued or arise in India



sec 9(i) (viii) :- If any gift or money is made by resident to NR or R but NOR or foreign company outside India then it is treated as deemed to be accrued or arise in India for resident.

CAPITAL GAIN

Sec 45(1) - Charging Section

Any profit/gain from transfer of capital Asset shall be taxable under the head capital gain in the year in which transfer took place.

Sec 2(14) :- Meaning of capital Asset

Capital Asset means property of any kind held by Assessee (movable/Immovable/Tangible/Intangible) whether it is connected with Business Profession or not.

But exclude :-

1) Stock in Trade (RM/WIP/FG)

2) Movable personal Asset (used by Assessee or family member for personal purpose)

except :- Jewellery, drawings, painting, sculpture, Archaeological collection or any other work of art.

3) Rural Agriculture land in India

4) Gold Bonds 1999, Deposit certificate issued under gold monetization scheme, 2015.

↖ Interest on this instrument also exempt

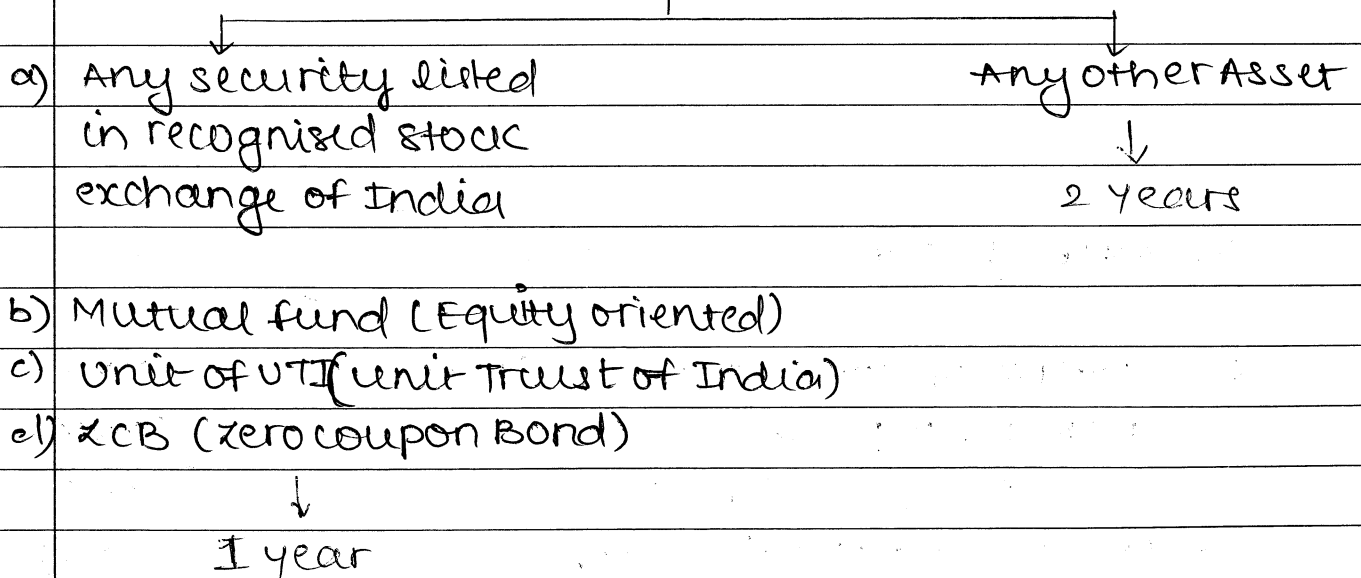
Note :- Meaning of Rural Agriculture Land :-

It means agriculture land situated in Rural Area. Rural Area is a area which is not urban area.
- For urban area refer pg 29.

Transfer includes:-

- 1) Sale of capital Asset
- 2) Exchange of capital Asset
- 3) Relinquishment of capital Asset
- 4) Extinguishment of any right in capital Asset
- 5) Compulsory acquisition of capital Asset under any law
- 6) Conversion of capital Asset into stock in Trade
- 7) In case of immovable property if possession is transferred in the part performance of contract.
- 8) In case of co-op society, its share certificate / membership Right is transferred.
- 9) Redemption of zero coupon bonds

Types of capital Asset



IF Asset held for more than 1 year / 2 year → LTCA → LTCG

IF Asset held for 1 year / 2 year or less → STCA → STCG

	Asset	POH
1)	House Property	2 years
2)	Shares of TCS Ltd listed in BSE	1 year
3)	Gold	2 years
4)	Shares of Apple inc. listed in USA stock exchange	2 years
5)	Equity oriented unit of Kotak MF unlisted	1 year
6)	Debt oriented unit of SBI MF unlisted	2 years
7)	Debt oriented unit of HDFC MF listed in NSE	1 year
8)	Equity shares of BB Virtuals Pvt Ltd unlisted	2 years
9)	ZCB unlisted	1 year
10)	Debentures unlisted	2 years

Sec 48:- Computation of Capital Gain

In case of STCA

Full Value of Consideration (FVOC)	xxx
- Transfer expense	(xxx)
Net consideration	xxx
- Cost of acquisition (COA)	(xxx)
- Cost of improvement (COI)	(xxv)
STC4	xxx

Imp Note :- If any immovable property acquired before 1/4/2001 then FMV as on 1/4/2001 is restricted to SDV on 1/4/2001 if SDV available.

In case of LTCA

IF transfer before
23/7/24

IF transfer on or
after 23/7/24

<p>Full value of consideration (xxx) - Transfer expenses (xxx) Net consideration xxx (Note 1) - Index cost of acquisition (xxx) - Index cost of Improvement (xxx) (Note 2) LTCU xxx</p>	<p>Full value of consideration xxx - Transfer expenses (xxx) Net consideration xxx - cost of acquisition (xxx) - cost of Improvement (xxx) xxx</p>
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Note 1: Index cost of Acquisition

$$\frac{\text{Cost of Acquisition} \times \text{Index of the year of Transfer}}{\text{Index of the year of Acquisition}}$$

Note 2: Index cost of improvement

$$\frac{\text{Cost of Improvement} \times \text{Index of the year of Transfer}}{\text{Index of the year of Improvement}}$$

Note 3: Asset Acquired before 1/4/2001

COA ↑ (i) Cost xxx
 (ii) FMV as on 1/4/2001 xxx
 Whichever is Higher

Note 4: If any improvement before 1/4/2001 → IGNORE

ResidenceQ10
Pg 17

Determine Residential status

Particulars	No of Days	Satisfied / Not satisfied
Basic conditions		
(i) stay in India for 182 days or more in PY	133 days	Not satisfied
<u>or</u>		
(ii) stay in India for 60 days or more in PY	} 133 days →	Not applicable
and 365 days or more in last 4 Pys		

Conclusion: He is treated as NR for PY 25-26

Computation of Tax liability

→ As per Normal Prov. (shifting out of Default Tax Regime)

upto 250000	—	—
>250000 upto 262000	5%	600
		<u>600</u>
	add	24
	HEC 4%	<u>624</u>

FY	C.I.I	FY	C.I.I	FY	C.I.I
2001-02	100	2010-11	167	2019-20	289
2002-03	105	2011-12	184	2020-21	301
2003-04	109	2012-13	200	2021-22	317
2004-05	113	2013-14	220	2022-23	331
2005-06	117	2014-15	240	2023-24	348
2006-07	122	2015-16	254	2024-25	363
2007-08	129	2016-17	264	2025-26	376
2008-09	137	2017-18	272		
2009-10	148	2018-19	280		

Ex:- Mr Meet Acquires a House Property on 16/8/1986 for ₹ 200000

He incurred following expenses on Improvements

PY 93-94	100000
PY 05-06	250000
PY 23-24	180000

FMV of Asset as on 1/4/2001 is ₹ 850000. He sold this HP for ₹ 53,00,000.

Calculate capital gain if he sold on

a) 22/7/2024

b) 23/7/2024

Part A: Computation of Capital Gain if sold on
 22/7/2024

PY 24-25 AY 25-26

Full value of consideration		₹300000.
(→) Transfer expenses		-
Net consideration		₹300000
(→) Index cost of Acquisition		
↑ Cost	200000	363
↑ FVOC 1/4/1	850000	x 100
		(3085500)

(→) Index cost of Improvement

05-06	250000 x 363	(775641)
	117	

23-24	180000 x 363	(187759)
	348	

1251100

Part B: Computation of Capital Gain if Asset transferred
 on 23/7/24

Full value of consideration		₹300000
(→) Transfer expense		-
Net consideration		₹300000
(→) Cost of Acquisition		(850000)
(→) Cost of Improvement		
PY 05-06		(250000)
PY 23-24		(180000)
		4020000