Gift is Received

Sec 56(2)(x)

- M·R·I·D·H·U·T·LA·ITC
  - Sec 56(2)(x) Not Applicable
  - Exempt
- Otherwise
  - Money
    - If Aggregate money > 50000 p.a
    - It is fully taxable
  - Movable property [S·S·J·D·P·S·A·O·B·V]
    - Without consideration
      - If aggregate FMV > 50000
      - It is fully taxable
    - Low consideration
      - If Aggregate (FMV - consideration > 50000
      - Difference is taxable

Asset is acquired by
Any person

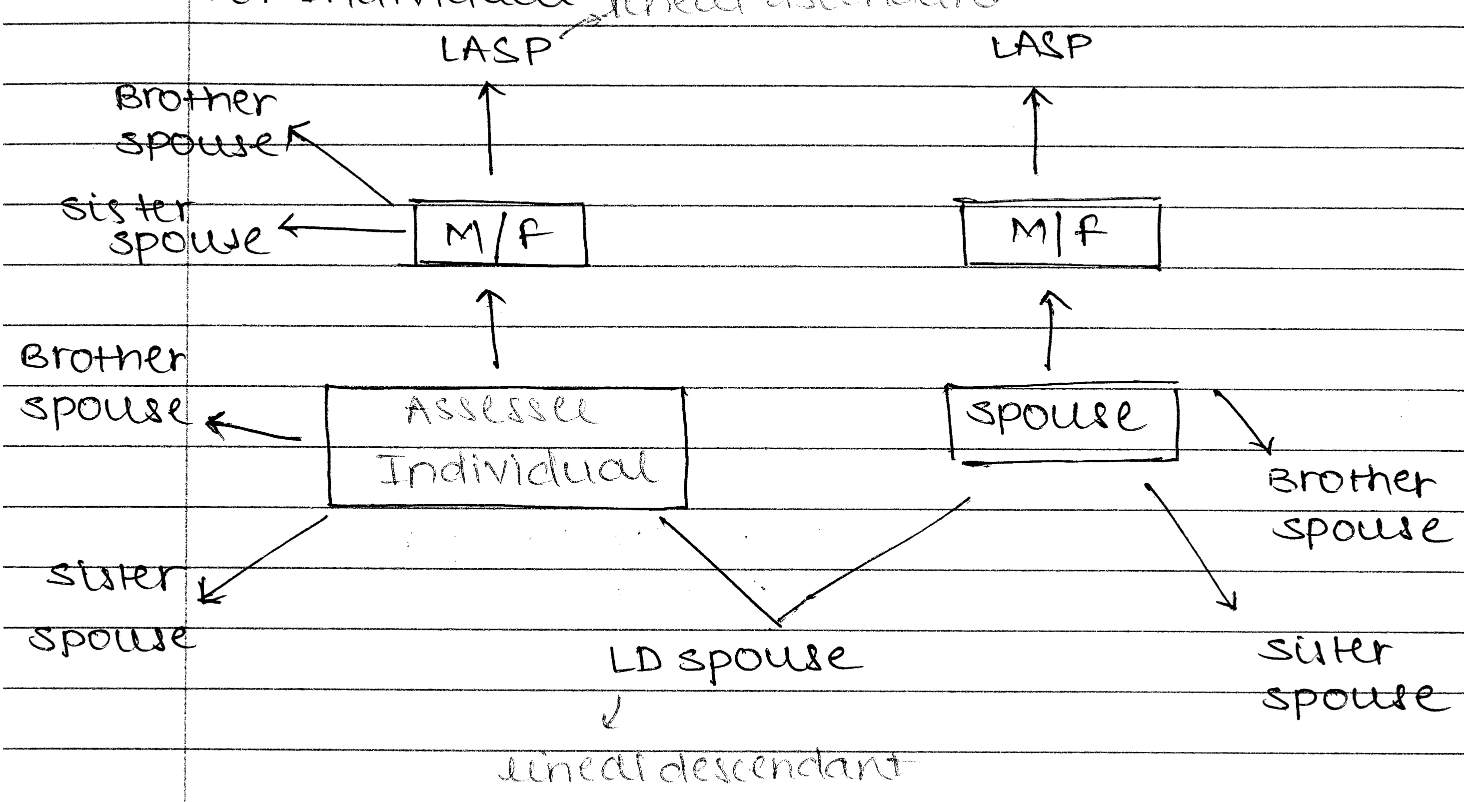
→ w.e.f 1/4/2017

Immovable property
[L/B/L&B]

- without consideration (GIFT)
  - If per property SDV > 50000
    - fully Taxable
- Low consideration
  - If per property (SDV - consideration) > 50000
    And SDV > 110% of consideration
    - Difference is taxable

Note 3 :- Relatives

a) For Individual



b) For HUF → Any member of HUF

Eg :- From following information calculate Gross Total Income of Payal

1) Salary Income (computed) ₹ 720000
2) Received gift of ₹30000 each from her 4 friends
3) She received gift of gold chain worth ₹20000 from her father's friend.
4) She received gift of car worth ₹ 40,00,000 from her best friend
5) Received gift of gold ring worth ₹ 80,000 from her ex boyfriend

6) She received gift of 2BHK flat from her mother's brother and SDV is ₹ 2,00,00,000

7) She received gift of ₹20,000 from her father

8) She purchased jewellary of ₹80,000 from BB Jewellars (FMV 110000)

9) She has purchased 1BHK flat from Rohan Builders for ₹2,00,00,000 and SDV of same is 2·3cr.

10) She received gift of ₹ 420 from her husband

11) Gift of iPhone 17 worth 1.5 lakhs from her cousin

Mrs Payal PY 25-26 AY 26-27

Computation of Gross Total Income

Particulars	₹	₹
Income from salary (computed)		720000
Income from other sources		
(i) Money		
Gift from friends (30000×4)	120000	
Taxable		120000
(ii) Movable property (Gift) [SSJDPSAO BV]		
Gift from gold chain from father's friend	20000	
Gift of gold ring from ex bf.	80000	
	100000	100000
[since agg. FMV > 50000, so it is fully taxable]		
(iii) Movable property (low consid.)		
Purchase of Jewellary from BB Jewellars [FMV - consideration]		

	[110000 - 80000] 30000 [since aggregate FMV & consideration diff. is not more than 50000 ~~This is not taxable.~~]	—	—
iv)	Immovable property (free)	—	—
v)	Immovable property (low cons.) Purchase of flat from Rohan Builders (SDV - consideration) (2.30cr - 2cr) :- 30,00,000		
	If per property (SDV - consdn) > 50000 And SDV > 110% consideration then diff. of ₹3000000 is taxable	3000000	3000000
		GTI	3940000

Note :- 1) As per sec 56(2)(x) any gift received from relative is not taxable so in the present question, gift received from father, husband, mother's father is not taxable because they are covered in the definition of relative.

2) Car and iPhone 17 are not covered in the definition of property so this is not taxable.

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Mr Karan PY 25-26 AY 26-27

Computation of Total Income

Particulars		₹
Income from House Property		62000
IFOS		
Dividend from Indian company		12600
Interest on Bank Deposit		25000
Gift		
Gift from friend	10000	
Gift from mother's friend	25000	
Gift from fiancee	75000	
Gift from sister	Exempt	
	110000	110000
Since gift in money > 50000, so it is fully taxable		
GTI		209600

Eg Mr Doraemon purchase a HP of ₹ 200000 in PY 01-02. Doraemon gifted this property to his friend Nobita on 14/02/2025. SDV of such property that dates is ₹ 40 lakh. Mr. Nobita sold such property to Shizuka on 10/12/2025 for ₹ 72 lakhs. Discuss Tax treatment in hands of Doraemon and Nobita

a) In hands of Doraemon

As per sec 47 gift is not treated as transfer, CG is not applicable.

b) In hands of Nobita

- I] As per sec 56(2)(x) if any immovable property received as gift, SDV > 50000 per property then it is fully taxable in hands of recipant.

In present case SDV is 40 lakhs i.e more than 50000 so it is taxable in hands of Nobita u/s 56(2)(x) in PY 24-25.

II] Capital gain is applicable on sale of property

Computation of capital gain PY 25-26 AY 26-27

FVOC		7200000
(-) COA	49(4)	(4000000)
STCG		3200000

Q2. Suppose in the above example Doraemon is the relative of Nobita

a) In hands of Doraemon

As per sec 47 gift is not treated as transfer so capital gain is not applicable.

b) In hands of Nobita

I] Gift received from relative ~~for~~ so sec 56(2)(x) not applicable.

II] Computation of capital gain on sale of property

		PY25-26 AY26-27
FVOC	7200000	
(-) COA [49(1)] (cost to previous owner)	(200000)	
LTCG	7000000	

Mr Ramesh acquired a HP in PY 01-02 for ₹ 5 lakhs. 19/7/2025 he sold such property to Mr Suresh for ₹ 40 lakhs SDV on that date was ₹ 60 lakhs. Discuss Tax treatment in hands of Ramesh and Suresh.

a) In hands of Ramesh

Computation of capital gain

FVOC [If SDV > 110% consd. SDV is FVOC]		6000000
(-) Transfer exp.		—
	Net consideration	6000000
(-) COA		(500000)
	LTCG	5500000

b) In hands of Suresh

Suresh acquired immovable property for low consideration, difference between SDV and consideration is more than 50000 as well as SDV is more than 110% of consideration so difference between SDV and consideration is 20 lakhs taxable U/s 56(2)(x) PY 25-26

Suppose in this eg. Suresh sold such property to Mukesh for ₹ 92 lakhs on 10/12/2025

Computation of capital gain PY 25-26 AY 26-27

FVOC	9200000
(-) COA	(6000000)
STCG	3200000

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Mr X & Mr Y

In hands of Y (seller)		I	II	III	IV	V
SP		400000	400000	400000	600000	600000
SDV		439000	446000	470000	659000	680000
FVOC [SOC]		400000	446000	470000	600000	680000
In hands of X (Buyer)						
(i) Per property (SDV - consideration) > 50000		NO	NO	yes	yes	yes
And						
(ii) SDV > 110% consdn		NO	yes	yes	NO	yes
Taxable u/s 56(2)(x)		Nil	Nil	70000	Nil	80000
COA [49(4)]		400000	400000	470000	600000	680000

Note 5:- If Assessee is not satisfied with SDV then he can request to AO, his case may transfer to valuation office [same as sec 50 C]

Note 6:- SDV on the date of Registration or Agreement
As per sec 56(2)(x) normally SDV considered on date of registration. If date of registration and agreement are not same Assessee (buyer) can take SDV on the date of agreement if he paid any consideration part thereof account pay cheque, account pay

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	I	II	III	IV	V
In hands of Y (seller)					
SP	381000	381000	427500	427500	710000
SDV	400000	470000	450000	490000	780000
FVOC (50C)	381000	470000	427500	490000	710000
In hands of X (Buyer)					
i) Per property (SDV-consdn) > 50K	NO	Yes	NO	Yes	Yes
And					
SDV > 110% consdn	NO	Yes	NO	Yes	NO
Taxable u/s 56(2)(x)	Nil	89000	Nil	62500	Nil
COA [49(4)]	381000	470000	427500	490000	710000