CAPITAL GAINS

Q.1 On May 22, 2013, the Government of Punjab acquires a plot of land owned by X Ltd. for constructing police headquarters. On June 10, 2019 X Ltd. receives Rs 7,60,000 as compensation (cost of acquisition: Rs 2,45,000 in 1960; fair market value on April 1, 2001: Rs 3,10,000). Against the award, an appeal is filed by X Ltd. and the Court, by its order dated October 10, 2021, increases the award to Rs 14,00,000. The additional compensation of Rs 6,40,000 is received by X Ltd. on December 20, 2022. The following investments are made by X Ltd.

Date of investment	Amount Rs	Investment
(54F) July 15, 2019	7,37,200	Residential house
(54EC) January 1, 2023	4,00,000	Bonds of NHAI, date of redemption January 15, 2028

Assuming that income of X Ltd. for the assessment years 2020-21 and 2023-24 from other sources is Rs 50,000 and Rs 1,20,000 respectively, determine the taxable income for the two assessment years.

(Ans. Rs 1,28,000, Rs 3,60,000)

Q2. X sells a residential house in Delhi (no other house is owned by him) on March 20, 2020 for Rs 12,00,000 (cost of acquisition in 2010-11 : Rs 400000.

On July 31, 2020, he deposits Rs 3,00,000 in a bank for purchase/construction of house property in future to claim exemption under Section 54. On November 1, 2020 he purchases 10 bonds of of Rs1000 each of National Highways Authority of India (not redeemable within 6 years) to claim exemption under section 54 EC. Income of X from other sources for the previous year 2019-20 is Rs 60,000. He completes construction of a residential house property on March 1, 2022 (total investment of Rs 190000 is financed by withdrawing from deposit account). Assume that income of X from other sources for the previous years 2020-21 & 2021-22 is Rs 7,86,000 and Rs 2,70,000 respectively. Determine the taxable income for the assessment years 2020-21, 2022-23 & 2023-24.

Ans. (Rs 267790; Rs 786000; Rs 380000)

2,03,120

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Ans (Rs 197,790 ; Rs 7,86,000 ; Rs 380...

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