

14.7.20

Law & Taxation

B. Com Part III

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Question. 1 (one)

The W.D.V of a block of Assets consisting of factory Building at the beginning of the financial year (P.Y) 2018-19 is Rs 8,00,000 and the Assessee acquires a godown in May 2018 for 3,00,000 and then sells all the Assets of the Block in December 2018 for 12,00,000. Calculate the gain or loss for the Assessment year 2019-20 under section 50(2)

Ans.

Computation of Capital gain
(for Assessment year 2019-20)

Sales Proceeds of All the Assets of that Block — 12,00,000

(-) W.D.V. at the beginning of the P.Y. 8,00,000

+ Cost of godown during P.Y. 3,00,000

Short term Capital gain — 1,00,000

Question. (e)

Shri Rajesh Ranjan Purchased a Residential House for 200000 in 2003-04, He gifted this House to Sujeet in 2007-08. The fair Rental Market value of the House on that date of gift was 4,20,000. Madan, another person filed a suit on Sujeet claiming the title to the gifted Property. Sujeet paid 50000 to Madan for compromising the suit. Mr Sujeet sold the house on 10th Dec 2018 for 15,72,000. determine the chargeable Capital gain in the case of ~~Sujeet and~~ Rajesh Ranjan and Sujeet. The Cost Inflation Index in 2003-04, 2007-08 and 2018-19 were 109, 129 and 280 respectively.

Ans.

Computation of Capital gain for Sujeet Assessment year 2019-20

Sales Consideration	15,72,000
(-) Index cost of Acquisition to Rajesh Ranjan.	
$200000 \times \frac{280}{109}$	5,13,761
<u>Taxable Income of C.T.C.G.</u>	<u>10,58,239</u>