

Taxation of Real Estate Transactions



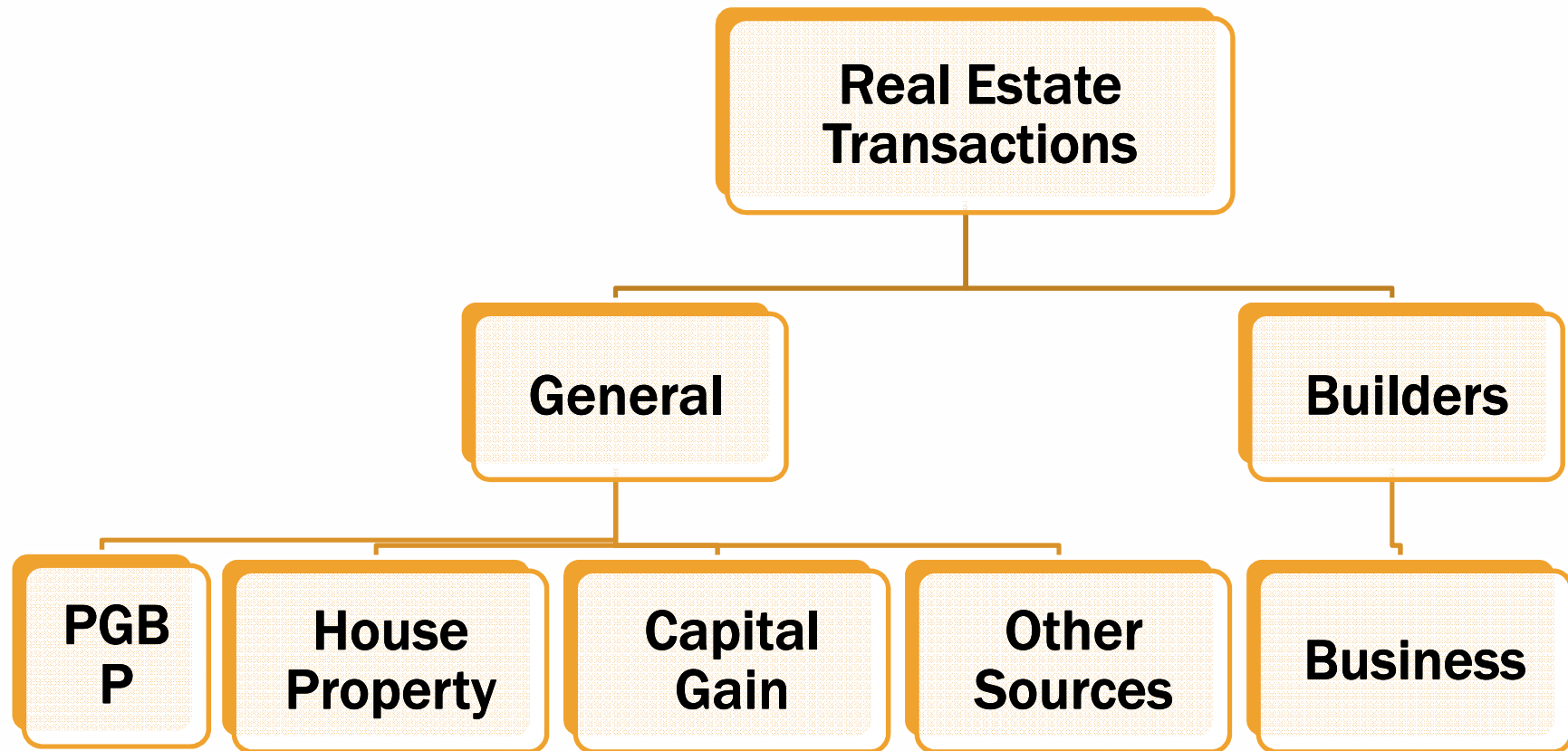
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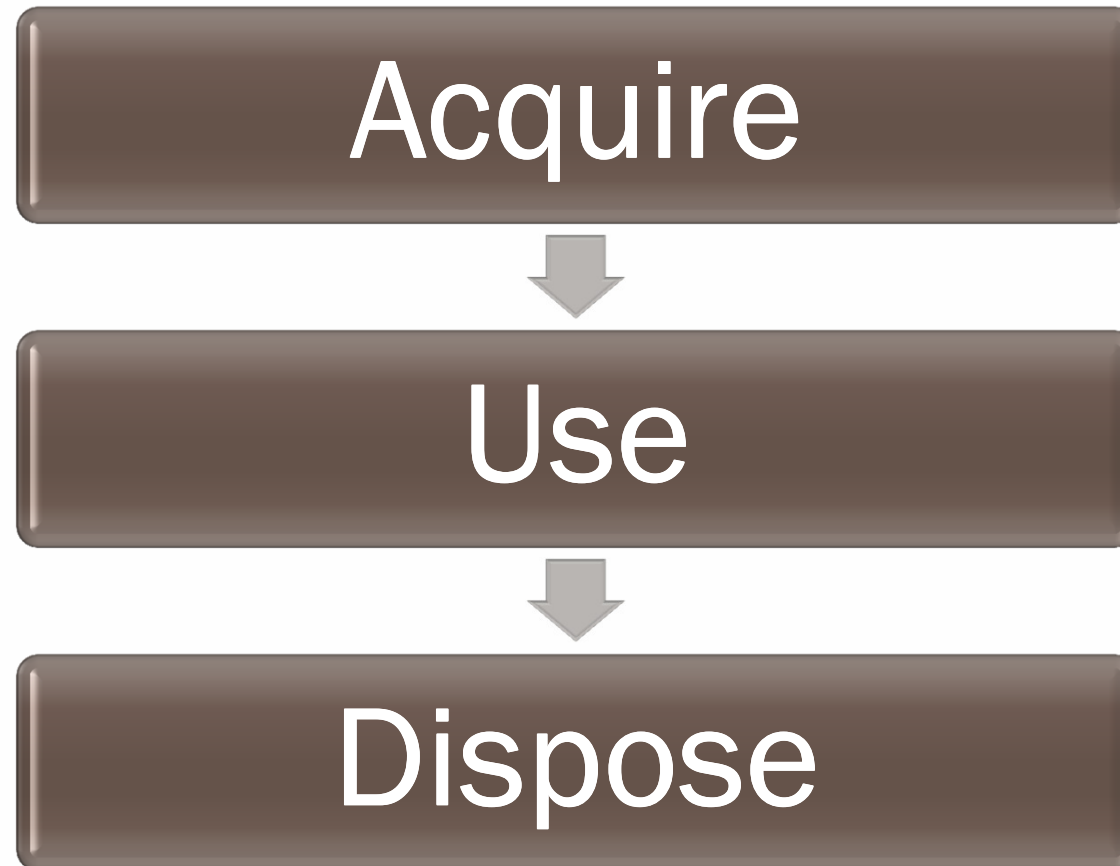
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**Shalimar Bagh CPE Study Circle of NIRC of ICAI
28th January 2019**



IMMOVABLE PROPERTIES



ACQUIRE



**Section 194-IA /
194-IC**

Section 56(2)(x)

Section 54 / 54F

USE

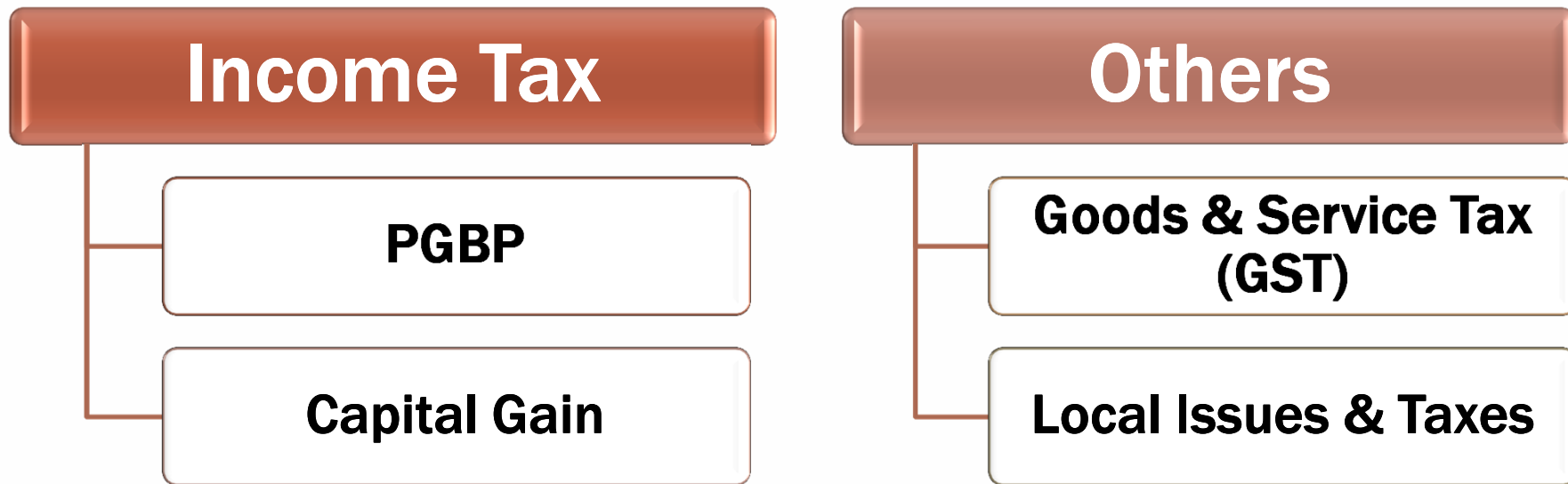
Income Tax

- Salary
- House Property
- PGBP
- Depreciation
- Other Source

Others

- Goods & Service Tax (GST)
- House Tax
- Local Issues & Taxes

DISPOSE



DISPOSAL PROVISIONS



Section 45



Section 50C



Section 43CA



Section 50D



Section 194-IA / 194-IC



Section 54 / 54F / 54EC / 54GB

SECTION 54 VS. 54F

54

No restriction on no. of houses

Gain to be invested

54F

Not more than one house

Full consideration to be invested

Cannot purchase another house in next 1 year

Cannot construct another house in next 3 years

IMMOVABLE PROPERTY S. 56(2)(X)

- ✘ Covers land, building or both
- ✘ Receives without consideration - stamp duty value exceeds Rs. 50000/-
- ✘ Receives through inadequate consideration less than stamp duty value being higher of :
 - + Rs. 50000/-
 - + 5% of consideration
- ✘ Where date of agreement & date of registration are not same, value on date of agreement if some payment made by a/c payee cheque / bank draft / ECS on or before date of agreement

IMMOVABLE PROPERTY

- ✘ If value disputed by assessee u/s 50C(2) , AO may refer to Valuation Officer
- ✘ Is leasehold land covered?
 - + Transfer of leasehold rights in a building do not attract provisions of S. 50C - *DCIT v Tejinder Singh (2012) (50 SOT 391) (Kol)*
 - + Leasehold rights in plot of land is not 'land or building or both' - *Atul G. Puranik v. ITO (132 ITD 499)(Mum)*.
 - + S. 50C applies to Transfer of Development Rights - *Chiranjeev Lal Khanna v. ITO (132 ITD 474)(Mum)*



✘ Mr. A gifts immovable property whose stamp duty value is Rs. 10 Lakhs to Mr. B (not a relative). Is there any tax on Mr. A or Mr. B?

✘ On B

✘ Mr. X gifts immovable property whose stamp duty value is Rs. 15 Lakhs to Mr. Y (not a relative) on the occasion of her daughter marriage. Is there any tax on Mr. X or Mr. Y?

✘ On Mr. Y



- ✘ A buy commercial property at Mumbai for 40 L (stamp value 40.50 lacs) and another residential property at Gurgaon for 30 L (stamp value 30.50 Lacs)??
+ No
- ✘ A buy Shares of listed Co for 5 L (FMV 5.5 L) & jewellery for 3 L (FMV 3.50 L)??
✘ Yes
- ✘ B buys agricultural land at Rajasthan for 15 Lacs (stamp value 25 L)??
✘ No
- ✘ C buys shop at Delhi from D (his relative) for 50 L (stamp value 75 L)??
✘ No



- ✘ **ABC P. Ltd. sold Building whose WDV was Rs. 49 Lacs in AY 2013-14 for Rs. 200 Lacs. Cost in AY 2002-03 was Rs. 89 Lacs.**
 - + **Is it STCG or LTCG?**
 - + **Is indexation allowable?**
 - + **Is any deduction/investment option available?**

- ✘ **S. 50 is restricted only to mode of computation of CG. It does not convert LTCA into STCA –**

CIT vs. Ace Builders P. Ltd. (2006) 281 ITR 210 (Bom)

WHO IS OWNER?

- ✘ A using own money purchases property in his own name. He takes rent in name of wife. In whose hand is rent taxable?
- ✘ A borrowed money to purchase property in name of wife. She gets rent also. Loan is repaid by A.
 - + HP income taxable in whose hand?
 - + Deduction for interest paid allowable to whom?

S.M.A. Siddique vs. CIT (1984) 148 ITR 307 (Mad)



- × Ms. L purchased land in 2001
- × He constructed residential house thereon in 2017
- × She sold the property in 2018
- × Whether gain is short term or long term?

CIT v. Lakshmi b Menon (2003) 184 CTR 52 (Ker)
Capital gains to be determined separately

DEVELOPERS / JDA

TAXATION



REAL ESTATE REGULATIONS

- × **AS 7 – Construction Contracts**
- × **AS 9 – Revenue Recognition (where in substance similar to delivery of goods)**
- × **Guidance note on Accounting for Real Estate Transactions by ICAI – 2012**
- × **Real Estate (Regulation and Development) Act 2016**
- × **ICDS on Construction Contracts**
- × **The Indian Contract Act, 1872**
- × **Transfer of Property Act, 1882**
- × **The Registration Act, 1908**
- × **Special Relief Act, 1963**
- × **Urban Land (Ceiling and regulation) Act (ULCRA), 1976**

REAL ESTATE REGULATIONS

- × **The Land Acquisition Act, 1894**
- × **The Indian Stamp Duty Act, 1899**
- × **Rent Control Act**
- × **State Laws Governing Property Tax**
- × **Income Tax Act, 1961**
- × **Goods & Services Act, 2017 (GST)**
- × **The Co-Operative Society , 1912**
- × **The Multi state co-operative societies Act, 2002**
- × **SEBI norms for Real Estate Mutual Funds**
- × **FEMA**

Transactions

Sale of plot without development

Sale of plot with development

Development and sale of residential and commercial units

Acquisition, utilisation and transfer of development rights

Redevelopment of existing buildings and structures

Joint development agreements

REVENUE RECOGNITION

- ✘ **Transactions take place over years. Could be:**
 - + **Pre-launch**
 - + **Booking**
 - + **Buyer's agreement**
 - + **Handing over of Possession**
 - + **Registration of Sale deed / Conveyance deed**
- ✘ **When income to be recognized in the hands of the developer ?**

REVENUE RECOGNITION

- ✘ Revenue to be recognised only when **all following** conditions are satisfied:
 - + Risks and rewards are transferred
 - + Seller doesn't retain any control over goods sold
 - + No significant uncertainty exists regarding collection
- ✘ **Agreement for sale** is also considered to have the effect of transferring all significant risks & rewards of ownership to the buyer
 - + provided the agreement is legally enforceable and subject to the satisfaction of conditions which signify transferring of significant risks & rewards
 - + even though the legal title is not transferred or the possession of the real estate is not given to the buyer

COLLABORATION / JOINT DEVELOPMENT

- ✘ **Old Residential House:**
 - + **Builder reconstructs**
 - + **Pays a certain amount**
 - + **Retains few flats**
- ✘ **Land Development:**
 - + **Sale proceeds to be shared**
 - + **Sharing of plots/ covered area, etc**
 - + **Subsequently owner's share also taken over and sold by the developer**

TAXATION

- × **Taxation in the hands of the Developer**
 - + **Assessable as business income [*PM Mohd Meerakhan v. CIT 73 ITR 735 (SC)*]**
 - + **Sections 28 to 44**
 - + **Revenue Recognition, etc**
- × **Taxation in the hands of the person providing land, could be:**
 - + **Business income**
 - + **Capital gains**
 - × **Section 45 to 55A**
 - × **Lower rate of tax u/s 112**
 - × **Entitled to various deductions, wherever applicable**

CG CHARGING SECTION – S. 45

- × Transfer of a capital asset effected in the previous year**
- × Resultant profits or gains from such transfer**
- × Those profits or gains would constitute the income of the assessee/transferor**
- × Such income shall be deemed to be the income of the same previous year in which the transfer had taken place**

PGBP / CG

- ✘ Agriculture land purchased 40 yrs back. No other purchase sale of land. Sale of land by developing residential plots on land. Amounts to realization of investment rather than adventure in the nature of trade

ITO v. DN Krishanappa (2010) 17 CPT 456 (Bang. Trib)

- ✘ The activity of an assessee in dividing the land in to plots and not selling it as a single unit as he purchased, goes to establish that he was carrying on business in real property and it is a business venture.

Raja J. Rameshwar Rao v CIT 42 ITR 179 (SC)(1961)

- ✘ Mode of payment i.e. payment in installments is not a determinative factor if the income is in the nature of trade or capital gain.

CIT v Radha Bai 272 ITR 264 (Del) (2005)

PGBP / CG

- ✘ Where assessee constructed shops which were let out and rent has been received for 3 years, thereafter the shops were sold – Income from sale of shop is capital gain.

ACIT v Janak Raj Chauhan 102 TTJ 297 (Asr.)(2006)

- ✘ The assessee after dividing the land into plots, sold land situated in a village which was beyond 8 kms of the municipal limit. Such land was sold pursuant to an agreement to sell executed earlier. It was held that land in question was rural agriculture not eligible to CG.

CIT vs Sanjeeda Begum 154 Taxman 346 (All) (2006)

- ✘ Relinquishment of right in property against consideration shall attract capital gain

CIT v Smt Laxmidevi Ratani 296 ITR 0363 (MP)[2008]

PGBP / CG

- ✘ **When land was acquired on basis of a will on death of her husband & she sold the same in parcels because the huge area could not be sold in 1 transaction. Such activity could not amount to trade/business.**

CIT v Sushila Devi Jain 259 ITR 671 (P&H) (2003)

- ✘ **Selling of own land after plotting it out in order to secure a better price is not in the nature of trade or business, more so when the land was gifted to the assessee.**

CIT v Suresh Chand Goyal 209 CTR 410 (MP)(2007);

Ram Saroop Saini (HUF) v ACIT 15 SOT 470 (Del)(2007)

CONVERSION OF CAPITAL ASSET INTO STOCK

- ✘ **S. 45(2) – Contains provisions for taxation of conversion of capital asset into stock in trade.**
- ✘ **To be taxed in previous year in which such stock-in-trade is sold or otherwise transferred by him**
- ✘ **FMV of the asset on the date of such conversion or treatment shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of the capital asset.**
- ✘ **Difference thereafter would be taxed as PGBP**

CONVERSION OF STOCK TO CAPITAL ASSET

- ✘ **Earlier conversion of capital asset into inventory was taxable u/s 45(2).**
- ✘ **Was no vice-versa provision**
- ✘ **As amended by Finance Act 2018, its to be taxed at FMV as on the date of conversion u/s 28(via) read with s. 2(24)(xiia).**
- ✘ **Cost of acquisition in such case for the converted capital asset would be the FMV as on the date of conversion u/s 49**
- ✘ **Period of holding such capital asset would commence from date of conversion u/s 2(42A)**

CASE STUDY - 1

- × ABC P. Ltd. purchased land in Jan. 1971 for Rs. 6.5 Lacs
- × Gave the land to B for building in March 1971 . B to sell the properties and receive payments.
- × A to get guaranteed sum of Rs. 8 Lacs as under:
 - + 85000 before execution of agreement
 - + 100000 before 1.4.71
 - + 150000 before 1.5.71
 - + 350000 before 1.5.72
 - + 50000 before 31.3.73
 - + 40000 before 30.9.73
 - + 25000 before 31.12.73
- × Actual transfer of lease to be done only when entire construction complete.
- × When does the income arise? AY 71-72; 72-73; or 73-74?
- × It will accrue as mentioned in agreement as it had no right to receive the entire amount on the date of execution of agreement.

CIT vs. Ace Builders P. Ltd. (1993) 202 ITR 324 (Bom)

CASE STUDY - 2

- × Smt. R owner of Land since 1958, could not retain the land due to Urban Land (Ceiling & Regulation) Act, 1976.
- × She sold the plot to B to construct flats.
- × POA given to builders for booking of flats
- × Sale deed executed by both.
- × R got fixed amount of Rs. 20 Lacs as per agreement.
- × Is it PGBP or CG?

CG – intended to trf only land

CIT vs. Smt. Radha Bai (2005) 272 ITR 264 (Del)

OTHER CASE LAWS

- ✘ **Assessee sold ancestral land after plotting – not an adventure in nature of trade**
CIT vs. MLM. Mahalingam Chettiar (1977) 107 ITR 236 (Mad)
- ✘ **In cases of development agreement, year of chargeability of CG is year in which contract is executed, where by reading of the contract indicates complete passing of property in favour of developer, substantial performance of contract is not relevant.**
Chaturbhuji Dwarkadas Kapadia Vs. CIT (2003) 260 ITR 491 (Bom)
- ✘ **Assessee business being construction, any addition towards cost of construction on basis of DVO's Valuation Report was invalid.**
CIT vs. Star Builders (2007) 294 ITR 338 (Guj)
- ✘ **Repurchase of a part of the property sold will entitle assessee to claim benefit u/s 54**
CIT v. Phiroze H. Patel (1994) 205 ITR 377 (Bom)

DEVELOPMENT AGREEMENT

- ✘ **Development agreement does not transfer the interest in the property to the developer in general law and therefore s. 2(47)(v) has been enacted.**

Chaturbhuji Dwarkadas Kapadia vs. CIT (2003) 260 ITR 491 (Bom.)

SECTION 2(47)(V)

- × Transfer includes any transaction involving**
 - + the allowing of the possession of any immovable property**
 - + to be taken or retained**
 - + in part performance of a contract**
 - + of the nature referred to in section 53A of the Transfer of Property Act, 1882.**

PART PERFORMANCE

- × Section 53A of Transfer of Property Act**
 - + There should be a contract for consideration**
 - + Contract should be in writing**
 - + It should be signed by the transferor**
 - + Should pertain to immovable property**
 - + Transferee should have taken the possession of the property**
 - + Transferee should be ready and willing to perform his part of the contract**

S. 2(47)(V) CASE LAWS

- ✘ Assessee owner of land having parted with possession of land under a development agreement for construction of flats having handed over possession of vacant land to developer on promise to be handed over 45% of constructed area, it was a case of transfer by exchange within the meaning of s. 2(47)(v)
- ✘ Property was handed over in part performance u/s. 53A of TP Act and it could not be said that transaction was without consideration; possession of land being handed over to developer only in December, 1999, the transfer took place in December, 1999, hence capital gain accrued and was chargeable in asst. yr. 2000-01 and not in asst. yr. 2001-02; transfer of land and transfer of flats allotted in consideration of transfer of land are two transactions and not one for purposes of charge of capital gains.

Dr. Maya Shenoy vs. ACIT - (2009) 124 TTJ 0692 Hyd

S. 2(47)(V) CASE LAWS

- ✘ Anyone in possession of property in his own title exercising such dominion over the property as would enable others being excluded there from and having right to use and occupy the property in his own right would be the owner though a formal deed of title may not have been executed and registered.

Mysore Minerals Limited v. CIT [1999]239ITR775/106 (SC)

- ✘ It is not necessary in terms of Section 2(47) (v) that the developer should have exclusive possession. The concurrent possession of the ownership is possible which gives rights to a limited extent for a limited purpose. Thus it is very much possible to hold concurrent possession and therefore it falls in the definition of Section 2 (47)(v).

Hussain Lal Puri v. ITO [2013] (Chand.)

S. 53A CASE LAW

- ✘ **S. 53A -If a buyer is put in possession of a property in part performance of the obligations under the agreement on the buyer paying a substantial portion of the sale consideration, the contract of sale is treated to be in part performance.**
- ✘ **Terms and conditions of the agreement clearly indicates that the intention of the parties is to sell the property as such to the buyer, or their nominees and a power of attorney is given to enable the buyer to sell the undivided share of land in favour of purchasers of apartments to be constructed by the buyer of the land.**
- ✘ **The execution of the sale deed is deferred as at the time when the possession of the property is transferred to the builder, there is no purchaser for the property.**

S. 53A CASE LAW (CONTD.)

- × In other words, the builder himself has crept into the shoes of the purchaser of the property and the registered instruments were created subsequently and the idea of keeping alive the agreement and execution of power of attorney in favour of the builder is only for the purpose of avoiding duplication of registered instruments and payment of stamp duty.
- × In this case, the assessee themselves executes the sale deed after several years on the request of the builder. Therefore, in principle, the actual transfer takes place between the assessee and the builder and it is thereafter the builder transfers possession to the purchaser of the apartments.

Cochin Stock Exchanges Limited vs. CIT [2015-ITRV-HC-KER-009]

SECTION 53A TPA

- ✘ **S. 17A of Registration Act, 1908 amended in 2001**
- ✘ **Documents for the purpose of S. 53A of the Transfer of Property Act, 1882 shall be registered if they have been executed on or after the commencement of Registration and other Related Laws (Amendment) Act, 2001**
- ✘ **If such documents not registered - they shall have no effect for purpose of S. 53A of Transfer of Property Act**
- ✘ **Safeguard - unregistered agreement of sale executed earlier would be taken as a tool to enforce part performance of the contract by the other part.**
- ✘ **S. 53A of TPA also amended where the wordings “...the contract, though required to be registered, has not been registered”**

SECTION 53A TPA CASE LAWS

- ✘ Amendment made in sec. 53A of TP Act, 1882, by which requirement of registration of transfer deed has been indirectly brought on statute need not be applied while construing meaning of 'transfer' with reference to sec. 2(47).

[Sureshchandra Agarwal v. ITO 15 taxmann.com 115 (ITAT-Mum.) (2011)]

- ✘ Where the transferee had taken over the possession of plot, constructed the building thereon, paid a sum of Rs.20 lakhs to the assessee in cash and had also undertaken to allot a flat in the building so constructed then the case was covered u/s 2(47)(v) accordingly gains arising on such transfer were taxable.

Vide Bertha T. Almeida v. ITO (2012) 44 (II) ITCL 307 (Mum 'B'-Trib)

INCOME WHEN ACCRUES

- ✘ **E.D. Sassoon & Co. Ltd. v. CIT, (1955) 1 SCR 313 (SC) held:**
- ✘ **“It is clear therefore that income may accrue to an assessee without the actual receipt of the same. If the assessee acquires a right to receive the income, the income can be said to have accrued to him though it may be received later on its being ascertained. The basic conception is that he must have acquired a right to receive the income. There must be a debt owed to him by somebody.”**

NO TAX ON HYPOTHETICAL INCOME

- ✘ **Income tax cannot be levied on hypothetical income**
- ✘ **CIT v. Excel Industries, (2014) 13 SCC 459 (SC)**
- ✘ **CIT v. Shoorji Vallabhdas and Co., (1962) 46 ITR 144 (SC)**
- ✘ **Morvi Industries Ltd. v. CIT, (1972) 4 SCC 451 (SC)**

DEVELOPMENT AGREEMENT

- × The point where the capital gains are deemed to accrue will purely depend on the terms of Joint Development Agreement.
- × If the possession is not transferred but deferred until the construction is completed by limiting the rights of developer, the liability to capital gains tax will arise in the year in which the developer completes the construction.
- × Where the agreement is of such nature that possession is given in part performance of a contract, the liability of capital gains tax will arise on the handling over of such possession to the builder.

JOINT VENTURE CASE LAW

- ✘ **Assignment of land by assessee company towards joint venture with another company for development thereof into a commercial complex which is to be compensated by 50% rights in the built-up area did not amount to transfer of a capital asset as nothing happened in the relevant year other than execution of the agreements and the assessee cannot be said to have sold or extinguished or relinquished any of its existing assets/rights to the co-venturer and, therefore, no capital gains are chargeable in the relevant year. It was not a case of transfer of land u/s 2(47)**

[Vijaya Productions (P.) Ltd. v. Adl. CIT (2012) 66 DTR 314 (ITAT-Chennai)(TM)]

CASE STUDY

- ✘ **Assessee entered into a registered JDA with Builder on 29.3.2006.**
- ✘ **Assessee would get 30% of the built-up area and proportionate undivided share of land and the builder would be entitled to 70% of built-up area and proportionate undivided share of land. The builder would incur all costs of construction of the built-up area.**
- ✘ **Clause 1 of the JDA provides as follows:**
- ✘ **"1) PERMISSION FOR DEVELOPMENT:**
- ✘ **1.1) The Owner is in possession and enjoyment of the Schedule Property.**

CASE STUDY CONTD..

- ✘ **The Owner hereby authorize the Promoter for the purpose of development, to enter upon the Schedule Property and develop the same, however the authority so granted does not in any manner be construed as delivery of possession by the Owner in part performance of this agreement under Section 53-A of the Transfer of Property Act or under Section 2(47)(iv) of the Income Tax Act, 1961.**
- ✘ **1.2) The Owner hereby agrees not to interfere or interrupt in the course of construction and development of the Schedule Property and/or commit any act or omission having the effect of delaying or stopping the work that has to be done under this Agreement. However, the Owner shall always be entitled to inspect the progress of the work and type of work which is being done on the Schedule Property.**

CASE STUDY CONTD..

- ✘ Subsequently, she entered into an MOU dated 16.8.2006 whereby she instead of receiving built up area received a sum of Rs.15 lacs in lieu of his right to obtain built up area.
- ✘ She had filed a return of income declaring capital gain in AY 2007-08 because the date of transfer was only on 16.8.2006.
- ✘ Held - JDA regarding possession clearly states that what is given is not possession contemplated u/s.53A of the Transfer of Property Act and that it is merely a license to enter the property for the purpose of carrying out development
 - ✘ *.Lakshmi Swarupa v. ITO (2018) 54 CCH 0465 (Bang -Trib)*

CASE STUDY

- ✘ **AO** - Possession of land owned by assessee was made over to developer pursuant to JDA for construction being undertaken thereon, in view of amended S. 2(47)(v), capital gains tax ought to have been paid in AY 2007-08
- ✘ **CIT** - Since possession of land was made over by assessee to developer at or immediately upon execution of JDA, transfer was deemed to have taken place in view of S. 2(47)(v) at that time and not at a later date when CG tax was offered by assessee
- ✘ **ITAT** - Possession made over by assessee was not of developer's share as envisaged in JDA, but of entire land for construction to be made thereon—Developer could have declined to return possession—It was only after the apportionment of areas upon construction on land being completed that developer could have rightfully retained possession of 61% share

WHEN DOES TRANSFER ARISE

- ✘ For the purpose of determining the actual date of transfer of the land by the land owner, various stages / events needs to be collectively analysed. These could be:
 - + Date of entering into JDA,
 - + Date of executing power of attorney authorising the developer for taking various approvals / permissions etc.,
 - + Handing over the possession of the land to the developer for various purposes,
 - + Receipt of part / full sale consideration from the developer,

WHEN DOES TRANSFER ARISE

- + Date of execution of power of attorney in favour of developer authorising him for the sale of developed units to the customers at his absolute discretion;**
- + Transfer of developed units to the customers etc.**
- ✘ Though, 1 single event may trigger process of transfer but may not necessarily complete it also.**
- ✘ Whether the transfer has, in substance, taken place, can be determined by analysing the inter-play and effect of all these stages / events combined and put together.**

WHEN DOES TRANSFER ARISE

- ✘ **Possession may be given for various purposes, viz. possession given to a contractor, or to a tenant also, but such an event in itself cannot be regarded as “transfer”.**
- ✘ **Possession of land may also be handed over as licensee only for the purpose of development of real estate on land. Here again, it shall not give rise to “transfer”.**
- ✘ **When possession is given along with other legal rights to the developer resulting into entitlement of the developer for full use and enjoyment of the property as well as its further sale after converting it into developed units at its full, own and sole discretion, then it may result into ‘transfer’ provided other conditions also**

WHEN DOES TRANSFER ARISE

- ✘ **Handing over of the possession for the limited purpose of developing the land while still retaining the ownership and control of various legal rights upon the property by the land owner would not fall in section 2(47)(v)**
 - ✘ ***ACIT vs. Jawaharlal Agicha [2017-ITRV-ITAT-MUM-118]***

CASE STUDY

- × **Assesses are members of Co-operative society**
- × **They entered into JDA with two builders ... payments to be made in intervals**
- × **2 lot of payments were made.**
- × **Approvals did not materialize and JDA fell through. Balance payments not made.**
- × **AO brought to tax total amount on date of JDA invoking 2(47)(v) & 2(47)(vi)**
- × **Cannot bring hypothetical income to tax**

CIT vs. Balbir Singh Maini (2017) 398 ITR 0531 (SC)

REGISTRATION OF JDA

- × **Transfer of any immovable property in part performance of a contract of the nature referred in S. 53A of the Transfer of Property Act will be completed only when the Agreement u/s 53A of the Transfer of Property Act is registered under the Indian Registration Act.**

CIT vs. Balbir Singh Maini (2017) 398 ITR 0531 (SC)

Pr. CIT vs. Fardeen Khan (Legal heir of Late Feroz Khan) (2018) 102 CCH 0307 MumHC

IMMOVABLE PROPERTY - JDA

- ✘ S. 45(5A) – Joint Development Agreement**
 - + Has to be a registered agreement**
 - + Individual / HUF - CG in PY in which certificate of completion for whole / part of project is issued by competent authority**
 - + Value of full consideration - Stamp duty value of his share in property in project on date of issue of said certificate as increased by any monetary consideration received.**
 - + If transfer his share before completion, normal provisions**
 - + 10% TDS on consideration paid u/s 194-IC**

CONCLUSION

- ✘ **Transfer can be:**
 - + **On the date of agreement if registered**
 - + **On completion of the transaction**
 - + **On possession**
 - + **On substantial compliance**
- ✘ **Substance of the agreement is important**
- ✘ **Necessary precaution needs to be taken at the stage of drafting of the agreement**

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CA. Pramod Jain
pramodjain@lunawat.com
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