

Intermediate Course

Study Material

(Modules 1 to 3)

PAPER 4

Taxation

Section – A: Income-tax Law
[As amended by the Finance Act, 2022]
Assessment Year 2023-24
(Relevant for May, 2023 examination)

MODULE – 1



BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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BEFORE WE BEGIN.....

Evolving role of a CA - Shift towards strategic decision making

The traditional role of a chartered accountant restricted to accounting and auditing, has now changed substantially and there has been a marked shift towards strategic decision making and entrepreneurial roles that add value beyond traditional financial reporting. The primary factors responsible for the change are the increasing business complexities on account of plethora of laws, borderless economies consequent to giant leap in e-commerce, emergence of new financial instruments, emphasis on corporate social responsibility, significant developments in information technology, to name a few. These factors necessitate an increase in the competence of chartered accountants to take up the role of not merely an accountant or auditor, but a global solution provider. Towards this end, the scheme of education and training is being continuously reviewed so that it is in sync with the requisites of the dynamic global business environment; the competence requirements are being continuously reviewed to enable aspiring chartered accountants to acquire the requisite professional competence to take on new roles.

Skill requirements at Intermediate Level

At the Intermediate Level, you are expected to not only acquire professional knowledge but also the ability to apply such knowledge in problem solving. The process of learning should also help you inculcate the requisite professional skills, i.e., the intellectual skills and communication skills, necessary for achieving the desired professional competence.

Income-tax law : Dynamic & Interesting

Taxation is one of the core competence areas of chartered accountants. The subject of "Taxation" at the Intermediate level is divided into two sections, namely, Section A : Income-tax law and Section B: Indirect Taxes. Income-tax is a direct tax i.e., it is a tax levied directly on the income of a person. Income-tax law, at the Intermediate level, largely involves application of provisions of the Income-tax Act, 1961 in problem solving. The tax laws of the country undergo significant changes every year on the passing of the annual Finance Act. Apart from these significant amendments ushered in every year through the Finance Act, notifications and circulars are also issued from time to time by the Central

Board of Direct Taxes (CBDT), the statutory authority in charge with the administration of direct taxes, to implement the provisions of the Act and clarify issues regarding the meaning and scope of certain provisions. Owing to the dynamic nature of income-tax law, learning, understanding and applying the provisions of this law in problem solving is very interesting and challenging.

Know your Syllabus – Read the same along with Study Guidelines

The syllabus of income-tax law is divided into ten topics. The Study Material has also been divided into ten chapters in line with the syllabus. For understanding the coverage of syllabus, it is important to read the Study Material along with the Study Guidelines. The Study Guidelines specify the topic-wise exclusions from the syllabus. The provisions of these excluded sections are, accordingly, not discussed in the Study Material. However, while discussing the relevant applicable provisions, a reference may have been made to these sections at certain places either by way of a footnote or otherwise.

The relevant Finance Act and Assessment Year

This Study Material on Income-tax law is based on the provisions of income-tax law as amended by the Finance Act, 2022, and the significant notifications and circulars issued and legislative amendments made upto 30th April, 2022. The computational problems have been solved on the basis of the provisions of income-tax law applicable for A.Y.2023-24. The Study Material is, therefore, relevant for May 2023 examination. The amendments made by the Finance Act, 2022, latest notifications/circulars are indicated in italics/**bold italics** in the Study Material.

The significant notifications/circulars issued and other legislative amendments made between 01.05.2022 and 31.10.2022, relevant for May, 2023 examination, will be webhosted as Statutory Update for May, 2023 examination at the BoS Knowledge Portal.

Framework of Chapters – Uniform Structure comprising of specific components

Efforts have been made to present the complex law of income-tax in a lucid manner. Care has been taken to present the chapters in a logical sequence to facilitate easy understanding by the students. The Study Material is divided into three modules for ease of understanding by the students.

The various chapters/units of each subject at the Intermediate level have been structured uniformly and comprises of the following components:

	Components of each Chapter	About the component
1.	Learning Outcomes	Learning outcomes which you need to demonstrate after learning each topic have been detailed in the first page of each chapter/unit. Demonstration of these learning outcomes would help you to achieve the desired level of technical competence
2.	Chapter Overview	As the name suggests, the flow chart/table/diagram given at the beginning of each chapter would give a broad outline of the contents covered in the chapter
3.	Content	The concepts and provisions of income-tax law are explained in a student-friendly manner with the aid of examples/illustrations/diagrams/flow charts. Diagrams and Flow charts would help you understand and retain the concept/provision learnt in a better manner. Examples and illustrations would help you understand the application of concepts/provisions. These value additions would, thus, help you develop conceptual clarity and get a good grasp of the topic.
4.	Let us Recapitulate	A summary of the chapter is given at the end to help you revise what you have learnt. It would especially facilitate quick revision of the chapter the day before the examination.
5.	Test Your Knowledge	The questions and answers at the end of each chapter would help you to apply what you have learnt in problem solving, and, thus, sharpen your application skills. In effect, it would test your understanding of concepts/provisions as well as your ability to apply the concepts/provisions learnt in solving problems and addressing issues.

We hope that these student-friendly features in the Study Material makes your learning process more enjoyable, enriches your knowledge and sharpens your application skills.

Happy Reading and Best Wishes!

SYLLABUS

PAPER – 4 : TAXATION

(One paper – Three hours – 100 Marks)

Objective:

To develop an understanding of the provisions of income-tax law and goods and services tax law and to acquire the ability to apply such knowledge to make computations and address application oriented issues.

SECTION A: INCOME TAX LAW (60 MARKS)

Contents:

1. Basic Concepts

- (i) Income-tax law: An introduction
- (ii) Important definitions in the Income-tax Act, 1961
- (iii) Concept of previous year and assessment year
- (iv) Basis of Charge and Rates of Tax

2. Residential status and scope of total income

- (i) Residential status
- (ii) Scope of total income

3. Incomes which do not form part of total income (other than charitable trusts and institutions, political parties and electoral trusts)

- (i) Incomes not included in total income
- (ii) Tax holiday for newly established units in Special Economic Zones

4. Heads of income and the provisions governing computation of income under different heads

- (i) Salaries
- (ii) Income from house property
- (iii) Profits and gains of business or profession

- (iv) Capital gains
- (v) Income from other sources

5. Income of other persons included in assessee's total income

- (i) Clubbing of income: An introduction
- (ii) Transfer of income without transfer of assets
- (iii) Income arising from revocable transfer of assets
- (iv) Clubbing of income of income arising to spouse, minor child and son's wife in certain cases
- (v) Conversion of self-acquired property into property of HUF

6. Aggregation of income; Set-off, or carry forward and set-off of losses

- (i) Aggregation of income
- (ii) Concept of set-off and carry forward and set-off of losses
- (iii) Provisions governing set-off and carry forward and set-off of losses under different heads of income
- (iv) Order of set-off of losses

7. Deductions from gross total income

- (i) General provisions
- (ii) Deductions in respect of certain payments
- (iii) Specific deductions in respect of certain income
- (iv) Deductions in respect of other income
- (v) Other deductions

8. Computation of total income and tax liability of individuals

- (i) Income to be considered while computing total income of individuals
- (ii) Procedure for computation of total income and tax liability of individuals

9. Advance tax, tax deduction at source and introduction to tax collection at source

- (i) Introduction
- (ii) Direct Payment

- (iii) Provisions concerning deduction of tax at source
- (iv) Advance payment of tax
- (v) Interest for defaults in payment of advance tax and deferment of advance tax
- (vi) Tax collection at source – Basic concept
- (vii) Tax deduction and collection account number

10. Provisions for filing return of income and self-assessment

- (i) Return of Income
- (ii) Compulsory filing of return of income
- (iii) Fee and Interest for default in furnishing return of income
- (iv) Return of loss
- (v) Provisions relating to belated return, revised return etc.
- (vi) Permanent account number
- (vii) Persons authorized to verify return of income
- (viii) Self-assessment

SECTION B – INDIRECT TAXES (40 MARKS)

Contents:

1. Concept of indirect taxes

- (i) Concept and features of indirect taxes
- (ii) Principal indirect taxes

2. Goods and Services Tax (GST) Laws

- (i) GST Laws: An introduction including Constitutional aspects
- (ii) Levy and collection of CGST and IGST
 - a) Application of CGST/IGST law
 - b) Concept of supply including composite and mixed supplies
 - c) Charge of tax including reverse charge
 - d) Exemption from tax
 - e) Composition levy

- (iii) Basic concepts of time and value of supply
- (iv) Input tax credit
- (v) Computation of GST liability
- (vi) Registration
- (vii) Tax invoice; Credit and Debit Notes; Electronic way bill
- (viii) Returns
- (ix) Payment of tax

Note – If any new legislation(s) is enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation ceases to have effect, the syllabus will accordingly exclude such legislation with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State GST Law.

Consequential/ corresponding amendments made in the provisions of the Income-tax law and Goods and Services Tax laws covered in the syllabus of this paper which arise out of the amendments made in the provisions not covered in the syllabus will not form part of the syllabus. Further, the specific inclusions/ exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines. The specific inclusions/ exclusions may also arise due to additions/ deletions every year by the annual Finance Act.

STUDY GUIDELINES

New Intermediate Paper 4: Taxation Section A: Income-tax Law

List of topic-wise exclusions from the syllabus

Topics of the Syllabus		Exclusions (Provisions which are excluded from the corresponding topic of the Syllabus)	
1.	Basic Concepts	-	
2.	Residential status and scope of total income	Section 9A - Certain activities not to constitute business connection in India	
3.	Incomes which do not form part of total income (other than charitable trusts and institutions, political parties and electoral trusts)	Clause of section 10	Particulars
		4C	Interest income of a non-corporate non-resident or foreign company on specified off-shore Rupee Denominated Bonds issued by an Indian company or business trust
		4D	Income accrued or arisen to or received by specified fund on transfer of a capital asset, being a bond of an Indian Company or GDR or rupee denominated bond or derivative, on a recognized stock exchange located in any IFSC and where the consideration is paid/ payable in convertible foreign exchange etc.
		4E	Any income accrued or arisen to, or received by a non-resident as a result of transfer of non-deliverable forward contracts entered into with an offshore banking unit of an IFSC referred to in section 80LA(1A).
		4F	Any income of a non-resident by way of royalty, on account of lease of an aircraft in a P.Y., paid by a unit of an IFSC referred to in section 80LA(1A)

	4G	Any income received by a non-resident from portfolio of securities or financial products or funds, managed or administered by any portfolio manager on behalf of such non-resident, in an account maintained with an Offshore Banking Unit in any IFSC to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India
	6A	Tax on royalty or fees for technical services derived by foreign companies
	6B	Tax paid on behalf of non-resident deriving income from Government or an Indian concern in pursuance of an agreement entered into with the Government of a foreign State or an international organization
	6BB	Tax paid on behalf of foreign state or foreign enterprise on amount paid as consideration of acquiring aircraft, etc. on lease
	6C	Income from projects connected with the security of India arising to a notified foreign company
	6D	Income arising to non-corporate non-resident and foreign companies, by way of royalty from or fees from technical services rendered in or outside India to, the National Technical Research Organisation (NTRO)
	10(10BB)	Payment to Bhopal Gas Victims
	15A	Any payment made by an Indian company engaged in the business of operation of aircraft to acquire an aircraft on lease from the government of a foreign State or a foreign enterprise
	19A	Annual value of palaces of former rulers

		20 to 25A	<ul style="list-style-type: none"> • Income of local authorities [Section 10(20)] • Income of research associations approved under section 35(1)(ii)/(iii) [Section 10(21)] • Income of news agency [Section 10(22B)] • Income of professional associations [Section 10(23A)] • Income received on behalf of any Regimental Fund or Non-Public Fund established by armed forces [Section 10(23AA)] • Income of Funds established for welfare of employees of which such employees are members [Section 10(23AAA)] • Income of Fund set up by Life Insurance Corporation or any other insurer under pension scheme [Section 10(23AAB)] • Income of institution established for development of Khadi and Village Industries [Section 10(23B)] • Income of authorities set up under State or Provincial Act for promotion of Khadi and Village Industries [Section 10(23BB)] • Income of any body or authority set up to administer religious or charitable trusts [Section 10(23BBA)] • Income of European Economic Community (EEC) [Section 10(23BBB)] • Income derived by the SAARC Fund for Regional Projects [Section 10(23BBC)] • Income of the IRDA [Section 10(23BBE)] • Income of Central Electricity Regulatory Commission [Section 10(23BBG)]
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			<ul style="list-style-type: none"> • Income of Prasar Bharati (Broadcasting Corporation of India) [Section 10(23BBH)] • Income of certain funds or institutions [Section 10(23C)] • Income of Mutual Fund [Section 10(23D)] • Income of a securitization trust from the activity of securitization [Section 10(23DA)] • Income of Investor Protection Funds [Section 10(23EA)] • Specified income of Investor Protection Fund set up by commodity exchanges [Section 10(23EC)] • Income of Investor Protection Fund set up by depositories [Section 10(23ED)] • Specified income of Core Settlement Guarantee Fund (SGF) set up by a recognized Clearing Corporation [Section 10(23EE)] • Income of Investment Fund [Section 10(23FBA)] • Income of unit holder of an Investment Fund [Section 10(23FBB)] • Certain incomes of Business trust [Section 10(23FC)/(23FCA)] • Distributed income of unit holder of a business trust [Section 10(23FD)] • Certain incomes of wholly owned subsidiary of Abu Dhabi Investment Authority and Sovereign Wealth Fund [Section 10(23FE)] • Any income of the nature of capital gains, arising or received by a non-
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			<p>resident or a specified fund, on account of transfer of share of a company resident in India, by the resultant fund or specified fund and such shares were transferred from the original fund to the resultant fund in relocation, and where capital gains on such shares were not chargeable to tax if that relocation had not taken place [Section 10(23FF)]</p> <ul style="list-style-type: none"> • Income of trade unions [Section 10(24)] • Income of provident funds, superannuation funds, gratuity funds etc. [Section 10(25)] • Income of Employees State Insurance (ESI) Fund [Section 10(25A)] • Income of member of a Scheduled Tribe [Section 10(26)]
		26AAB to 31	<ul style="list-style-type: none"> • Income of an Agricultural Produce Market Committee or Board [Section 10(26AAB)] • Income of a corporation etc. for the promotion of interests of members of Scheduled Castes or Scheduled Tribes or both [Section 10(26B)] • Income of corporations established to protect interests of minority community [Section 10(26BB)] • Income of corporation established by a Central, State or Provincial Act for welfare of ex-servicemen [Section 10(26BBB)] • Income of a co-operative society formed for promoting the interests of Scheduled Castes or Schedules Tribes or both [Section 10(27)] • Incomes of certain bodies like Coffee Board, Rubber Board etc. [Section 10(29A)]

		<ul style="list-style-type: none"> • The amount of any subsidy received by any assessee engaged in the business of growing and manufacturing tea in India through or from the Tea Board [Section 10(30)] • The amount of any subsidy received by an assessee engaged in the business of growing and manufacturing rubber, coffee, cardamom or other specified commodity in India from or through the Rubber Board, Coffee Board, Spices Board [Section 10(31)]
	33	Any income arising from the transfer of a capital asset being a unit of Unit Scheme 1964 of UTI
	36	Long term capital gains on transfer of listed equity shares purchased on or after 1.3.2003 but before 1.3.2004, and held for a period of 12 months or more
	37A	Any income chargeable under the head capital gains in respect of transfer of specified capital asset to an assessee, being an individual or HUF under Land Pooling Scheme
	39 to 42	<ul style="list-style-type: none"> • Specified income arising from any international sporting event in India [Section 10(39)] • Certain grants etc. received by a subsidiary from its Indian holding company engaged in the business of generation or transmission or distribution of power [Section 10(40)] • Specified income of certain notified bodies or authorities which have been established under a treaty or an agreement [Section 10(42)]

		44 to 50	<ul style="list-style-type: none"> • Income received by any person on behalf of NPS Trust [Section 10(44)] • Specified income of notified entities not engaged in commercial activity [Section 10(46)] • Income of notified infrastructure debt funds [Section 10(47)] • Income received by certain foreign companies in India in Indian currency from sale of crude oil to any person in India [Section 10(48)] • Income arising to a foreign company on account of storage of crude oil [Section 10(48A)] • Income arising to a foreign company on account of sale of leftover stock of crude oil [Section 10(48B)] • Income arising to Indian Strategic Petroleum Reserves Ltd. as a result of arrangement for replenishment of crude oil stored in its storage facility [Section 10(48C)] • Income accruing or arising to an institution established for financing infrastructure and development, set up under an Act of Parliament, for ten consecutive assessment years [Section 10(48D)] • Income accruing or arising to a developmental financing institution, licensed by RBI under an Act of the Parliament and notified by the Central Govt., for 5 consecutive assessment years [Section 10(48E)] • Income arising from any specified service chargeable to equalization levy [Section 10(50)].
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4.	Heads of income and the provisions governing computation of income under different heads																					
	Salaries	-																				
	Income from house property	-																				
	Profits and gains of business or profession	<ol style="list-style-type: none"> Income computation and disclosure standards (ICDSs) notified under section 145 and the related provisions in the Income-tax Act, 1961; The provisions contained in the following sections given hereunder: 																				
		<table border="1"> <thead> <tr> <th>Section</th> <th>Particulars</th> </tr> </thead> <tbody> <tr> <td>33AB</td> <td>Tea Development Account/ Coffee Development Account/ Rubber Development Account</td> </tr> <tr> <td>33ABA</td> <td>Site Restoration Fund</td> </tr> <tr> <td>35ABA</td> <td>Expenditure for obtaining right to use spectrum for telecommunication services</td> </tr> <tr> <td>35ABB</td> <td>Expenditure for obtaining licence to operate telecommunication services</td> </tr> <tr> <td>35CCA</td> <td>Expenditure by way of payment to associations and institutions for carrying out rural development programmes</td> </tr> <tr> <td>35CCC</td> <td>Expenditure on agricultural extension project</td> </tr> <tr> <td>35CCD</td> <td>Expenditure on skill development project</td> </tr> <tr> <td>35DD</td> <td>Amortisation of expenditure in case of amalgamation or demerger</td> </tr> <tr> <td>35E</td> <td>Deduction of expenditure on prospecting and development of certain minerals</td> </tr> </tbody> </table>	Section	Particulars	33AB	Tea Development Account/ Coffee Development Account/ Rubber Development Account	33ABA	Site Restoration Fund	35ABA	Expenditure for obtaining right to use spectrum for telecommunication services	35ABB	Expenditure for obtaining licence to operate telecommunication services	35CCA	Expenditure by way of payment to associations and institutions for carrying out rural development programmes	35CCC	Expenditure on agricultural extension project	35CCD	Expenditure on skill development project	35DD	Amortisation of expenditure in case of amalgamation or demerger	35E	Deduction of expenditure on prospecting and development of certain minerals
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		<p>36(1)(ia)/ (vi)/(viiia)/ (viii)/(xii)/ (xiv)/ (xvii)</p>	<ul style="list-style-type: none"> • Insurance premium paid by a Federal Milk Co-operative Society [Section 36(1)(ia)] • Allowance for animals used for the purposes of business or profession, otherwise than as stock in trade [Section 36(1)(vi)] • Special provision for bad and doubtful debts made by Banks, Public Financial Institution, State Financial Corporation, State Industrial Investment Corporation [Section 36(1)(viiia)] • Deduction for Special Reserve created and maintained by Specified Entities engaged in eligible business [Section 36(1)(viii)] • Deduction for expenditure incurred by entities established under any Central, State or Provincial Act [Section 36(1)(xii)] • Deduction of contribution by a public financial institution to Credit guarantee fund trust for small industries [Section 36(1)(xiv)] • Deduction of expenditure incurred by a co-operative society for purchase of sugarcane at price fixed by the Government [Section 36(1)(xvii)]
		<p>40(a)(ib)</p>	<p>Consideration paid or payable to a non-resident for specified service on which equalization levy is deductible under Chapter VIII of the Finance Act, 2016 and such levy has not deducted or after deduction has not been paid on or before the due date of filing return of Income.</p>

	42	Special provisions for deduction in case of business for prospecting etc. for mineral oil
	43C	Special Provision for Computation of Cost of Acquisition of Certain Assets
	43D	Special Provision in case of income of Public Financial Institutions, public companies etc.
	44	Insurance Business
	44A	Special provision for deduction in the case of trade, professional or similar association
	44B to 44DB	<ul style="list-style-type: none"> • Special provision for computing the profits and gains of shipping business in case of non-residents [Section 44B] • Special provision for computing profits and gains in connection with the business of exploration etc., of mineral oils [Section 44BB] • Special provision for computing profits and gains of the business of operation of aircraft in the case of non-residents [Section 44BBA] • Special provision for computing profits and gains of foreign companies engaged in the business of civil construction etc. in certain turnkey power projects [Section 44BBB] • Deduction of head office expenditure in the case of non-residents [Section 44C] • Special provisions for computing income by way of royalties etc. in case of non-residents [Section 44DA] • Special provision for computing deductions in the case of business reorganisation of co-operative banks [Section 44DB]

Capital gains	<ul style="list-style-type: none"> • Distribution of capital assets or stock in trade on dissolution or reconstitution of firm/AOP or BOI [Section 9B] • Receipts from unit linked insurance policy [Section 45(1B)] • Profits or gains arising from transfer made by the depository or participant of beneficiary interest in any securities [Section 45(2A)] • Introduction of capital asset as capital contribution in a firm/AOP or BOI [Section 45(3)] • Distribution of money or capital assets on reconstitution of firm/AOP or BOI [Section 45(4)] 	
	Section	Particulars
	2(42A)	Sub-clauses consequent to excluded clauses of section 47, sub-clause (he) of clause (i) of Explanation 1 relating to period of holding of share(s) of a company acquired by non-resident on redemption of GDRs referred to in section 115AC(1)(b) and sub-clause (hg) relating to period of holding of unit or units in the segregated portfolio and sub-clause (hh) relating to period of holding of original units or units in the main portfolio
47(via)/(viaa) / (viab)/(vic) / (vica)/(vicb) / (vicc)/(viiia) / (viiab) / (viiac) / (viiad) / (viiiae) / (viiiaf)/(xa) / (xii)/(xiii) / (xiiia)/(xiiib) / (xiv)/(xv) /	<ul style="list-style-type: none"> • Any transfer of a capital asset being a share or shares held in an Indian company, in a scheme of amalgamation, by amalgamating foreign company to the amalgamated foreign company [Section 47(via)] • Any transfer of a capital asset, in a scheme of amalgamation of a banking company with a banking institution [Section 47(viaa)] 	

		(xvii)/ (xviii)/(xix)	<ul style="list-style-type: none"> • Any transfer, in a scheme of amalgamation, of a capital asset, being a share of a foreign company [Section 47(viab)] • Any transfer in a demerger, of a capital asset, being a share or shares held in an Indian company, by the demerger foreign company to the resulting foreign company [Section 47(vic)] • Any transfer in a business reorganisation, of a capital asset by the predecessor co-operative bank to the successor co-operative bank or to the converted banking company [Section 47(vica)] • Any transfer by a shareholder, in a business reorganisation, of a capital asset being a share or shares held by him in the predecessor co-operative bank if the transfer is made in consideration of the allotment to him of any share or shares in the successor co-operative bank or to the converted banking company [Section 47(vicb)] • Any transfer in case of a demerger of a capital asset, being a share of a foreign company [Section 47(vicc)] • Any transfer of bonds of an Indian company or Global Depository Receipts purchased in foreign currency referred to in section 115AC(1) [Section 47(viia)] • Any transfer of a capital asset, being GDR, rupee denominated bonds or derivative by a non-resident in foreign currency on a recognized
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			<p>stock exchange located in any IFSC [Section 47(viiab)]</p> <ul style="list-style-type: none"> • Any transfer, in a relocation, of a capital asset by the original fund to the resulting fund [Section 47(viiac)] • Any transfer by a shareholder or unit holder or interest holder, in a relocation, of a capital asset being a share or unit or interest held by him in the original fund in consideration for the share or unit or interest in the resultant fund [Section 47(viiad)] • Any transfer of capital asset by IIFCL to an institution established for financing the Infrastructure and Development, set up under an act of Parliament and notified by the Central Government [Section 47(viiae)] • Any transfer of capital asset by a public sector company to another public sector company notified by the Central Government or to the Central Government or to a State Government under a plan approved by the Central Government [Section 47(viiaf)] • Any transfer of by way of conversion of Foreign Currency Exchangeable Bonds into shares or debentures of a company [Section 47(xa)] • Any transfer of land under a scheme prepared and sanctioned under section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985, by a sick industrial company which is managed by its workers' co-operative [Section 47(xii)]
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		<ul style="list-style-type: none"> • Any transfer of a capital asset or intangible asset by a firm to a company, where a firm is succeeded by a company, or any transfer of a capital asset where an AOP or BOI is succeeded by a company consequent to demutualisation or corporatisation of a recognised stock exchange in India [Section 47(xiii)] • Any transfer of a membership right by a member of recognised stock exchange in India for acquisition of shares and trading or clearing rights in accordance with a scheme for demutualization or corporatisation approved by SEBI [Section 47(xiiiia)] • Any transfer of a capital asset or intangible asset by a private company or unlisted public company to a LLP [Section 47(xiiiib)] • Any transfer of a capital asset or intangible asset where a sole proprietary concern is succeeded by a company [Section 47(xiv)] • Any transfer in a scheme for lending of any securities under an agreement or arrangement which is subject to SEBI guidelines [Section 47(xv)] • Any transfer of a capital asset being share of a SPV to a business trust in exchange of units allotted by the trust to the transferor [Section 47(xvii)] • Any transfer of unit or units by a unit holder under consolidated scheme of mutual fund [Section 47(xviii)]
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		<ul style="list-style-type: none"> Any transfer of unit or units by a unit holder under consolidated plan of mutual fund scheme [Section 47(xix)]
	47A	Withdrawal of exemption in certain cases
	49	<ul style="list-style-type: none"> Sub-sections consequent to excluded clauses of section 47 Cost of acquisition of share(s) of a company acquired by a non-resident on redemption of GDRs referred under section 115AC(1)(b) [Section 49(2ABB)] Cost of acquisition of unit or units in a consolidated scheme of a mutual fund [Section 49(2AD)] Cost of acquisition of unit or units in a consolidated plan of a mutual fund scheme [Section 49(2AF)] Cost of acquisition of shares in case of business reorganization of a co-operative bank [Section 49(2E)] Cost of acquisition of a unit or units in the segregated portfolio [Section 49(2AG)] Cost of acquisition of the original units held by the unitholder in the main portfolio [Section 49(2AH)] Cost of acquisition of capital asset transferred by holding to its 100% subsidiary Indian company or vice versa in case of attraction of section 47A [Section 49(3)] Cost of acquisition of an asset declared under the Income Declaration Scheme, 2016 [Section 49(5)] Cost of acquisition of specified capital asset to an assessee, being an individual or HUF under Land

			<p>Pooling Scheme in case of transfer of reconstituted plot or land after the expiry of two years from the end of the financial year in which the possession was handed over to the assessee [Section 49(6)]</p> <ul style="list-style-type: none"> • Cost of acquisition of capital asset of entities in case of levy of tax on accreted income under section 115TD [Section 49(8)]
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		80P	Deduction in respect of income of co-operative societies
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		196A to 196D	<ul style="list-style-type: none"> • Income in respect of units of non-residents [Section 196A] • Income from units referred to in section 115AB [Section 196B] • Income from foreign currency bonds or shares of Indian company [Section 196C]

			<ul style="list-style-type: none"> Income of Foreign Institutional Investors from securities [Section 196D]
10.	Provisions for filing return of income and self-assessment	Sections 139(4A) to 139(4F) dealing with provisions for filing of return of charitable or religious trusts, research institutions, political party, university, college or other institution, business trust, investment fund.	

Note- As far as the Income-tax Rules, 1962 are concerned, only the significant Rules included in the respective chapters of the Study Material as well as in the Statutory Update for May, 2023 Examination would be relevant at the Intermediate level. Even in respect of those sections which are not excluded from the syllabus, the coverage is restricted to the extent of the content discussed in the Study Material and Statutory Update.

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