WHAT IS CRYPTOCURRENCY-BITCOIN

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& It's Taxation In India

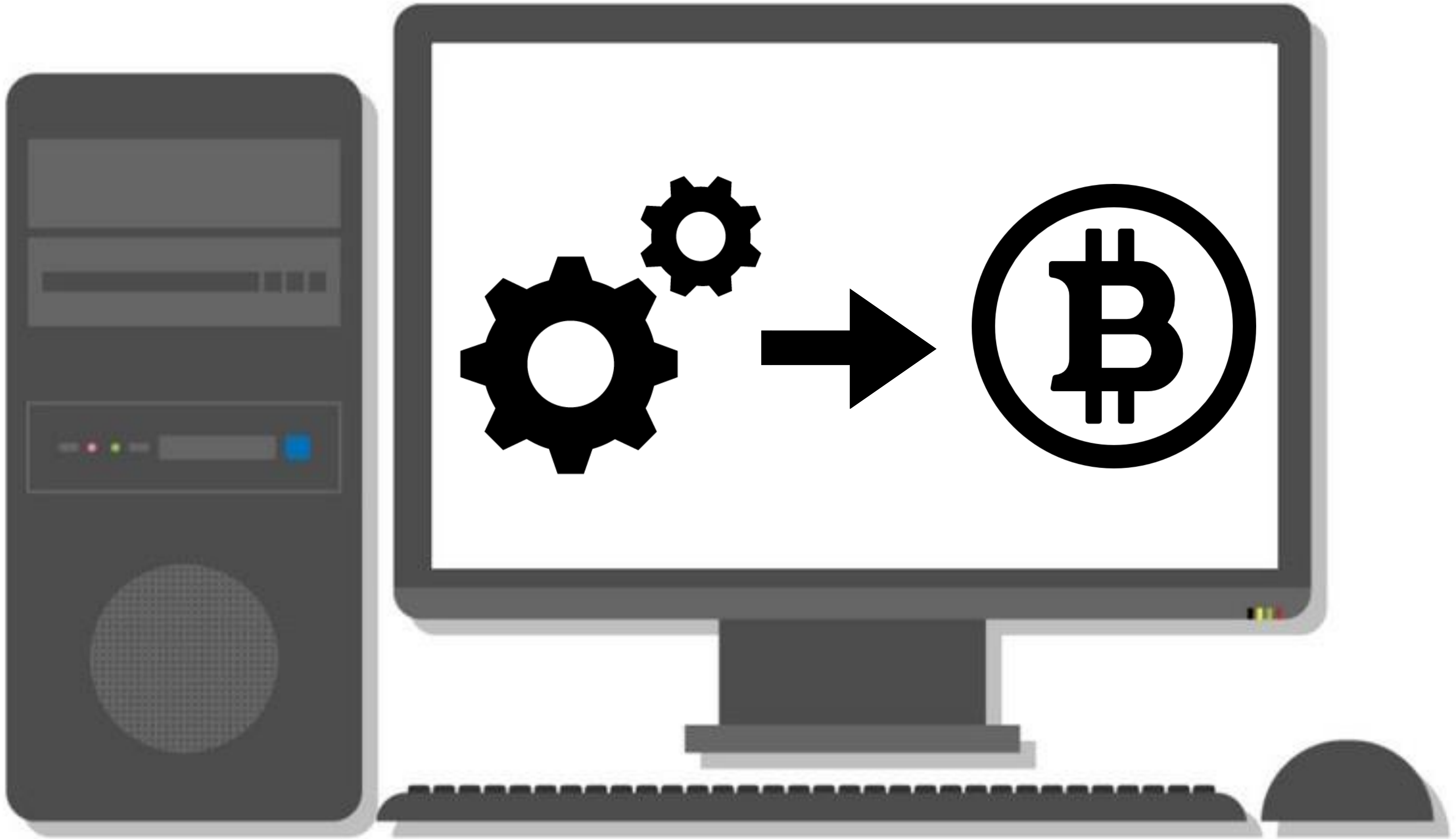
What is Cryptocurrency?

It's an electronic currency which does not belong to any country like – Dollar(US), Pound(UK), Yen(Japan) & Euro(Germany) etc.

It cannot be touched or seen - It's Intangible.

It is generated by computer & also traded using computer devices.

Right now, It is the most expensive currency.



THERE ARE STILL A LOT OF QUESTIONS ON ITS VALIDITY IN VARIOUS COUNTRIES ALL OVER THE GLOBE.

Any person can easily send money to any other person that too without any Intermediary (3rd Party Agency like Bank).

Transfer from one Bitcoin wallet to other Bitcoin wallet.

Bitcoin was developed nearly 8 years back by a programmer named
SATOSHI NAKAMOTO

But nobody know the real
SATOSHI NAKAMOTO

8 YEARS BACK

TODAY

1 BITCOIN = ₹ 6

1BITCOIN=$16,000 i.e. ₹10.5LACS

TAXATION

OF CRYPTOCURRENCIES

IN INDIA

NO SPECIFIC PROVISION UNDER

INCOME TAX ACT

TAXATION OF CRYPTOCURRENCIES REMAINS GREY AS ON DATE

We will discuss, how it shall be taxed under existing provisions.

*Since, **RBI** has not declared cryptocurrencies as legal tender. So, it shall be treated as **Asset**.*

Now it depends solely upon intention of the person whether it is investment or trading asset

CRYPTOCURRENCIES

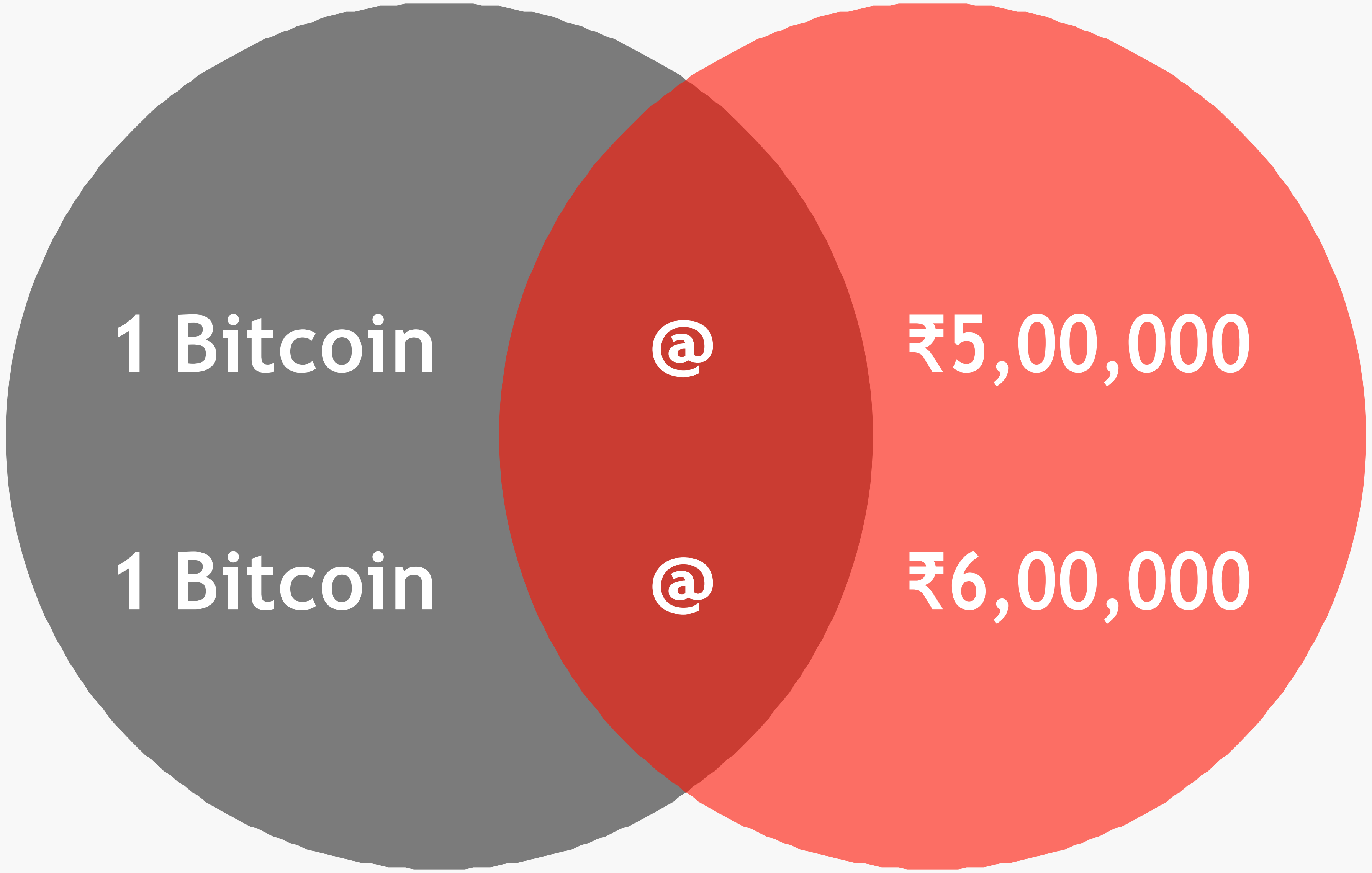
(ASSETS)

- Investment → Capital Gain
  - >36m → LTCG
  - ≤36m → STCG
- Trading Asset → PGBP

CASE- 1

Investment

Purchased
Sold



1 Lakh is Capital Gain/ PGBP

- **If it is long term, benefit of indexation shall also be available**

CASE-2

SOLD GOODS - **RECEIVED BITCOIN**

Cost of Goods Sold	=	₹ 10,00,000
Received 2 Bitcoin (FMV 1 Bitcoin	=	₹ 5,25,000)
PGBP	=	₹ 50,000

Later sold Bitcoin @ ₹ 6,00,000

₹1,50,000 Capital Gain/ PGBP

Case3

Purchased Goods - Paid Bitcoin

Purchase of Goods Paid	=	₹12,00,000
	=	2 Bitcoin

Purchase price of **Bitcoin 5 Lac**

2 Lac **Capital Gain/ PGBP**

Expense Allowed ₹12Lac

THANK

YOU