

(2)

DAK

Marks

Following additional information are furnished by the management :

- (i) The Software unit is in existence since May, 2007.
- (ii) Fixed assets of software unit includes land which was purchased at ₹ 40 lakh in the year 2004 and revalued at ₹ 60 lakh as on March 31, 2011.
- (iii) Fixed assets of software unit mirrored at ₹ 140 lakh (₹ 200 lakh minus land value ₹ 60 lakh) is written down value of depreciable assets as per books of account. However, the written down value of these assets under section 43(6) of the Income-tax Act is ₹ 90 lakh.
 - (a) Ascertain the tax liability, which would arise from slump sale to PQR Limited.
 - (b) What would be your advice as a tax-consultant to make the restructuring plan of the company more tax-savvy, without changing the amount of sale consideration ?

(B) How shall the assets retained pursuant to an order passed as per section 37A (5A) of the W.T. Act, 1957 be dealt with ? 3

(C) Can summons enforcing attendance and to take evidence on oath be issued by a Valuation Officer to the seller of the building for which a reference under section 16A has been made by the W.T.O. ? 3

(D) Mr. 'W' gifted a gold chain worth ₹ 1,00,000 to the adopted minor child of his son. On 31st March, 2011, the net wealth of Mr. 'W' is worth ₹ 50 lakh whereas the net wealth of W's wife is ₹ 60 lakh. Besides, the net wealth of W's son is worth ₹ 30 lakh while the net wealth of his daughter-in-law is worth ₹ 40 lakh. State with reason, in whose net wealth the value of gifted chain will be included ? 4

Will it make any change in your answer if the marriage of the parents of adopted minor child does not subsist and the child is maintained by his father ?

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