

KALPESH CLASSES

LIST OF IMPORTANT SECTIONS FOR C.A. FINAL

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LIST ON IMPORTANT SECTIONS FOR
NOV 2008 CA. FINAL EXAMINATION.

As promised in the LMR issued to the students of “KALPESH CLASSES” here is the list of provisions considered important in the opinion of Prof. “KALPESH SANGHAVI”. Detailed discussion is not made here and thus one is requested to refer the class room notes for the reference.

WISHING YOU ALL THE BEST FOR EXAMS.

Section	Note
FBT	<i>Fringe benefit tax read with circular 08/2005. also refer to class room discussion on new provisions on FBT. Do the trial balance like problem circulated to you in class room in form of DVD.</i>
10(36),10(37)	<i>Exemption regarding, compulsory acquisition of urban agricultural land. Exemption regarding Long term capital gains.</i>
HUF	<i>Assessment of HUF. As much as tax treatment of partition is concerned. Also daughters (whether married or not) are now co-parceners.</i>
11	Assessment of trust. Tax treatment of inter trust donations.
12(2), 13(6)	<i>The value of services being medical, or educational granted by trust running hospital or educational institution to specified person shall be taxable as income of the trust. Trust shall not loose exemption only because such benefit are extended to specified persons.</i>
12A	Audit of books of accounts of trust now required.
Explanation 11 to section 43(1)	Tax treatment of second hand assets acquired out side India and now brought in India. (visit us at http://www.kalpeshclasses.com/)

47(iii) Prov. 1 Prov. 4 to 48, 115	<i>Tax treatment of ESOP. When it has been under an approved as well as un approved scheme. Also ESOP with FBT.</i>
28 (iv)	<i>Value of benefit or perquisite out of carrying on of business or profession. With the taxation of gifts section 56.</i>
30,31	Meaning of Repair and Current Repairs. Capital expenditure is not allowable as deduction. Replacement of machinery can be allowed.
32	Scope of Used for the purposes of business and profession.
32(iia)	Additional depreciation.
32(2)	Tax treatment of carry forward and set off of depreciation. Also read with 72A.
36(1)	Taxation of deep discount bonds / zero coupon bonds. Deduction for banking cash transaction tax.
<i>Tax Tonnage Scheme</i>	<i>Taxation of Indian companies in shipping Business. 115VA TO VZC. Theory aspect of registration of tonnage tax companies.</i>
172	Tax treatment of shipping business of non resident.
35	<i>For the donor of contribution deduction shall not be denied merely because the institutions is denied the benefit of section 35.</i>
35(2AB)	For In house research for companies in specified activities deduction available 150%. Excluding the cost of acquiring Land and Building. Also business of Bio-technology is included.
35ABB	Treatment of sale of Telecom Rights.
36(1)(iii)	Treatment of interest on capital borrowed, in relation to HUF, Preference Dividend and sister concerns. Also treatment of interest for the period prior to asset being put to use in case of the extension of the business.
36(1)(XII)	Deduction for the entities created under the central or state act
37(1)	Tax treatment of fines and penalties. Also ready with explanation to 37(1) Stock valuation system.
40(a) (i)(ia)(iii)	<i>Payment to nonresidents, residents and outside India. TDS compliance to be effected.</i>

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40A(3)	<i>Now condition of account payee cheque instead of crossed cheque.</i>
40(b)	Tax treatment for partnership firms. Read with 184, 185 etc. also treatment when partner is a partner in representative capacity.
43B	Certain deduction only upon the payment basis. Particularly sales tax deferred scheme and payment of interest to banks and financial institutions. Interest payable to bank converted to loan does not qualify for deduction.
44BB, 44BBB	Presumptive taxation, in these cases one may claim lower profits however subject to 44AA, 44AB and compulsory scrutiny under 143(3). (visit us at http://www.kalpeshclasses.com)
44DA	Tax treatment of royalty income in case assessee has fix place of operation in India.
45(3) (4)	<i>Taxation of firms.</i>
45(5)	Computation capital gains incase of reduction of compensation. Also tax treatment in case of advance compensation paid by the land acquisition collector without passing the order of purchase.
46	Capital gains for company in liquidation. Particularly where the agricultural land is subject matter of division.
48	<i>Non resident computation of capital gains when investment was made prior to 01-04-81. Taxation of Development rights.</i>
48	<i>Tax treatment of development rights.</i>
50	Capital gains in case of depreciable assets, as much as sale of land together with building is concerned. I.e. read 48 with 50. also read with 54EC.
54	Investment in more than one residential house. (including treatment on temporary residential house). Tax treatment of renovation expense of the new asset. Payment to tenant to vacate the premises after the acquisition of property is done.
54F	The condition of exemption relaxed. Where assessee owns one house on the date of transfer than also exemption is available. However assessee can not acquire house other than one specified in the section. Also read 54F with 54. Interpretation of Prov 1 to 54F (1) and 54F (2).

54G / 54GA / 54D	Provision relating to compulsory acquisition and shifting of Industrial undertaking. Specially covering the treatment for violation of holding period of new asset.
56	<i>Taxation of gifts effective from 13/07/2006, now aggregate limit of Rs. 50,000. Also recent case laws as done in class.</i>
68,69 etc.	Certain cases of deemed income. For the gifts also genuineness to be proven apart from the movement of funds.
72A	Carry forward and set off in case of amalgamation. Amalgamation of banks.
73	<i>Tax treatment of carry forward and set off the speculative business loss. And interpretation of expl. 1 to 73 as much as it relates to the deemed speculative loss.</i>
74	Carry forward and set off of long term capital loss.
78	Treatment of for the partnership firms.
79	<i>Carry forward and set off in case of certain companies. And its interpretation with 47(xiii.)</i>
92A	Transfer Pricing Practical application.
94(7)	Dividend stripping
94(8)	Bonus stripping
111A	Tax rates for short term capital gains for specified securities, now is 10 %. Also basic exemption limit is available for the same.
115F	Capital gains for non residents.
115JB	<i>MAT for companies. Particularly adjustment on account of depreciation.</i>
115JAA	<i>Tax credit on account of MAT.</i>
132	Powers of income tax authority. In case of search stock can not be seized. Together with assessment in case of search. I.e. 153A, 153B, 153C. (visit us at http://www.kalpeshclasses.com)
132B	Limitation of time in case of seizure of assets.
133A	Powers of survey.

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139B	Tax return prepares.
142A	Powers of officer to make reference to valuation officer.
142(2A)	<i>Provisions relating to special audit. Refer the case laws discussed in class.</i>
143(3) & 153	<i>Scrutiny assessment. In certain cases of presumptive income (44BB, 44BBB) there is compulsory scrutiny. Newer time limit for completion of assessment. 153.</i>
155	Deemed cases of rectification of mistake. Particularly where the compensation is reduced and assessment is to be rectified.
160 / 163	Assessment of the trustees of the trust. Trustees of trust can not be regarded as association of persons. Also agent of non residents.
164	Rates of Taxes for Private Trust.
187	Change in constitution of firm. Including treatment at time of dissolution of firms.
194A	Deduction of tax at source from Interest Payment. Interest in case of motor accident insurance claims. Rs. 50,000.
194BB	Winning from horse races. Where there is multiple betting with same license holder.
194I	<i>TDS on rent. Specially treatment for advance rent and treatment in case of letting by AOP. New definition of rent.</i>
194J	<i>TDS on professional and technical fees. Professional fees paid for personal purposes. Now royalty and 28(va) also liable for TDS.</i>
194LA	<i>TDS on compulsory acquisition of property. Particularly in case urban agricultural land.</i>
195	TDS for non residents, when there is payment in kind.
197A	TDS for senior citizen. Upon the giving of declaration no tax is to be deducted for certain transaction. (visit us at http://www.kalpeshclasses.com)
206	Filing of TDS return, for companies return can be filed only on the magnetic media.

206(C)	<i>Tax collection at source. Whether collection is to be made inclusive of excise or not. Also some of the licensing transaction for which the collection is to be effected.</i>
230	Tax clearance in case certain cases at time of departure from India.
245	Entire chapter of settlement commission
245N	Advance ruling. Question regarding the tax liability of non resident can be asked by the resident persons. No immunity is available under the state laws.
80P	Assessment of Co-operative societies. As much as co-operative banks are concerned.
115AC	Tax treatment of GDR's.
115ACA	Tax treatment of GDR's issued under an approved scheme of ESOP.
263	Powers of CIT for making revision. Intimation can not be covered by 263.
269 SS/T	<i>Mode of acceptance or repayment of loans and deposits. Repayment of loan is also subject to the conditions of 269T.</i>
281	Certain transfers to be void.
281B	Provisional attachment of property. (visit us at http://www.kalpeshclasses.com)
275	Time limit for penalty. You can download it from our website the presentation on the same.
IN RELATION TO WEALTH TAX	
2	Treatment of motor cars, Urban Land. Aircrafts used for business purposes is not chargeable to wealth tax.
4	Clubbing provision relating to minor son.
5	Exempt assets. 5(i), (iii), (iv), (v), (vi)
2 (m)	<i>Meaning of debt owed, scope of belonging to assessee. Debt of executor refer in LMR. (visit us at http://www.kalpeshclasses.com)</i>

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SCH - III	Valuation of assets. As much as deduction on account of un-earned increase is concerned. Fair value can be adopted for the purpose of valuation instead of annual rent.
<i>SCH - III</i>	<i>Valuation of business assets.</i>
<i>SCH - III</i>	<i>Valuation of Firms</i>
20A	Partial partition of HUF, also from Income Tax point of view.

Practical problems on these areas to be seen before the exams.

Firms	Computation of firms income with the partners remuneration (DVD)
FBT	Trial balance like problem. (DVD)
Tonnage tax	Problems from our webstie. (DVD)
MAT	Computation problems on (DVD)