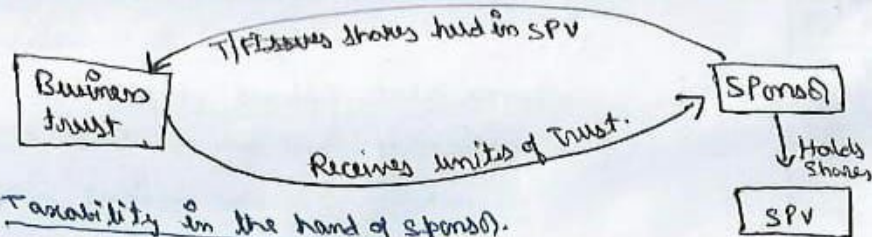


① Exchange of shares in SPV by Sponsor for units of Business Trust



Taxability in the hand of sponsor.

- 47(xvii) → such exchange is not a T/F. So, no Ch.
→ CG will be taxable when sponsor sell such units.

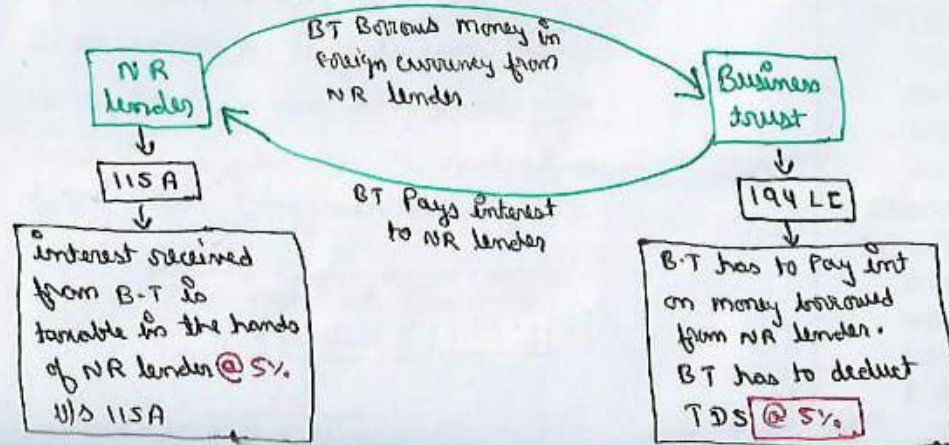
T/F of units: CG applicable

If STCG → IIA applies. → Tax @ 15%

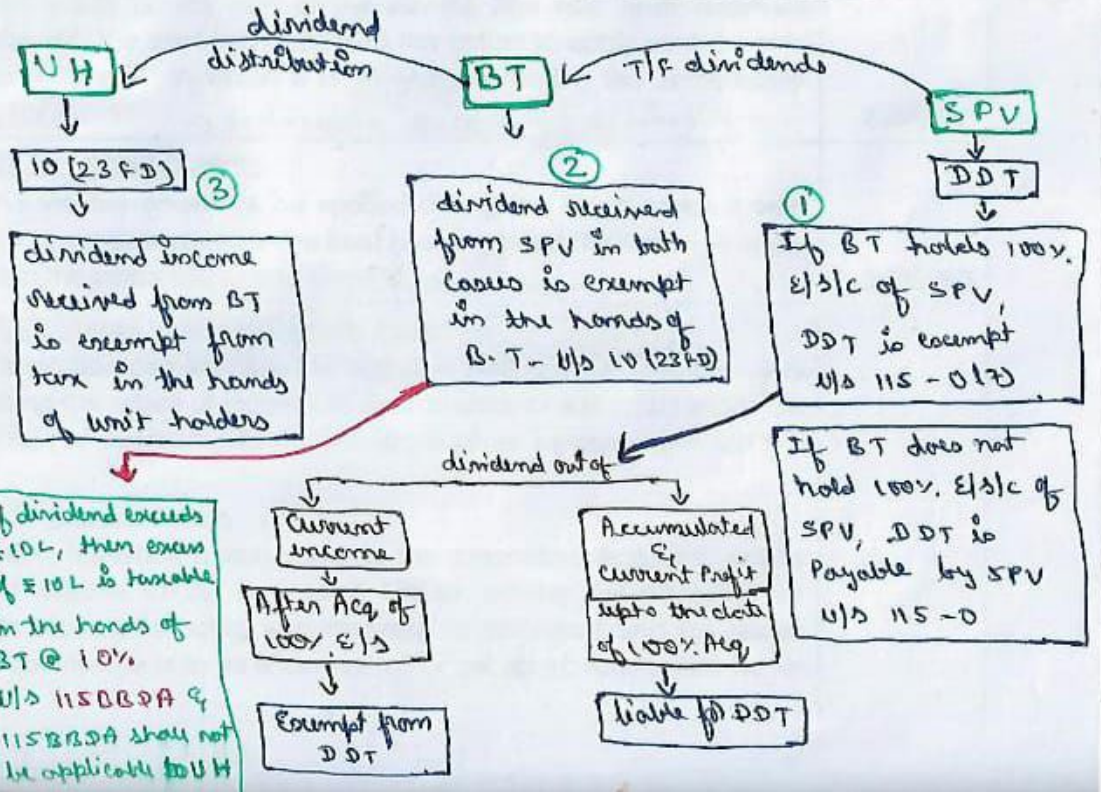
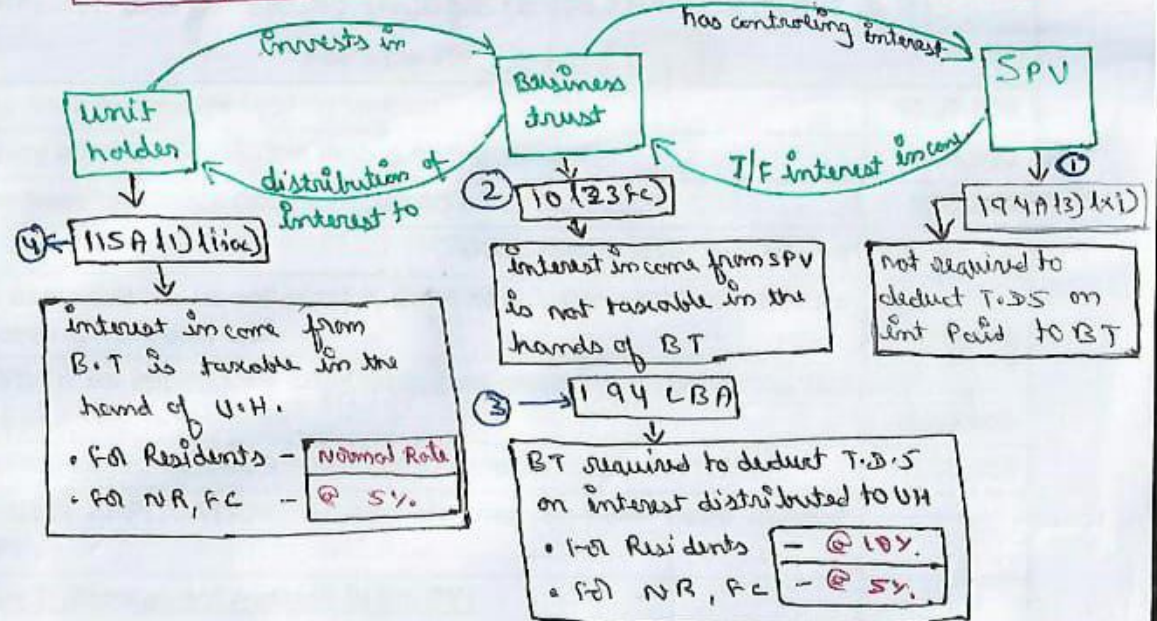
If LTCG → 10(38) applies → Exempt.

- 49(2A) - COA of units = COA of shares by sponsor
- 2(42A) - POH of units = POH of shares + POH of units.

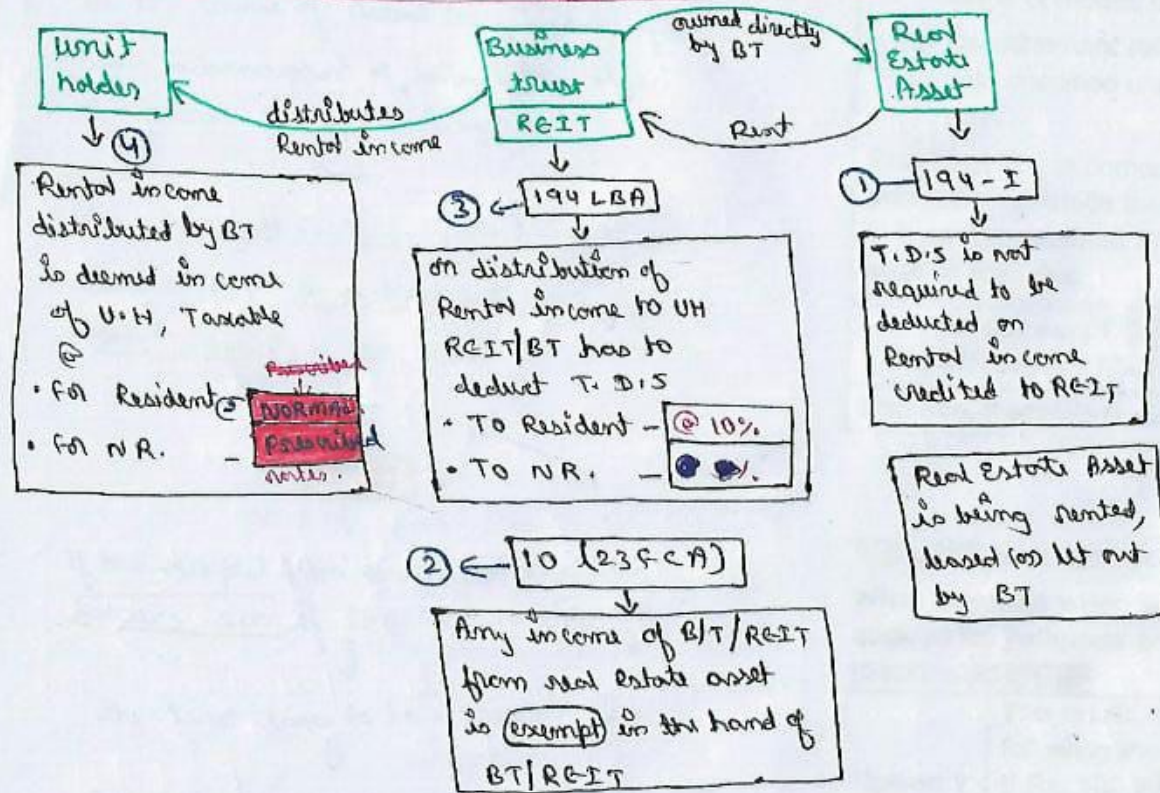
③ Interest Payments to N.R lenders on ECBs by the business trust



② Interest dividend received by Business Trust from SPV



④ Rental income of REIT from directly owned Real estate asset



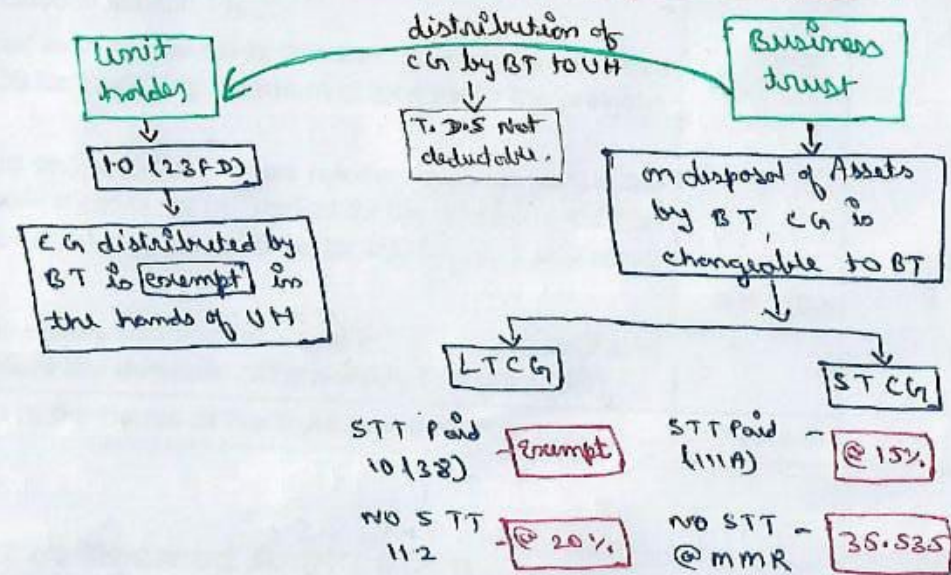
⑤ General/other Points

1) Any income by a Business trust to its unit holders shall be deemed to be of the same nature and in the same proportion in the hands of unit holder as it had been received by, (or) accrued to, the business trust.

2) Example of income chargeable @ MMR

- STCG on sale of development properties
- Interest on investment in unlisted debenture

⑤ Transfer CG on disposal of assets by BT



⑥ Transfer of listed units of the BT by UH

- If a UH transfer(sale) the units of B.T, STT is leviable on trading of listed units on RSE.

- 2(42)A • POH to qualify a unit to be a LTCA is > 36 mths
- 10(38) • LTCG is **exempt** in the hands of UH
- 111A • STCG is taxable @ 15%

⑦ other income of BT

