**INCOME TAX SECTION 56(2)(x) – CASE STUDY**

1. Laxman is the Owner of 5 Acre Agriculture Land. He sold the same to Raman for 2 Cr. Whereas the circle rate for stamp duty is 2.50 Cr. What is the impact of Section 56(2)(x) & Section 50C in the hand of both the assesse?

* Case Law :- Mubarak Gafar Korabil vs. ITO (752 Pune 2018).
* Premchand Jain vs. ACIT (2020) 183 ITD 372 Jaipur Tribunal.

1. Taxation of Donations by an Individual-

* A poor person gets donation to meet cost of his medical treatment.

1. Non relative gifts shares to HUF for Rs. 5 Lacs in FY.2023-2024. The HUF sells the shares in same year for Rs. 5 Lacs. The original cost of shares was Rs.10,000/- and holding period of the donor was more than 2 years. What will be Income Tax implications on gift received by HUF?
2. Section 56(2)(x) – Gift received by HUF is from Non-relative Income?
3. Mr. A has given loan of Rs. 5 Lacs to Mr. B non-relative and interest is charged. Later after 2 years loan is waived.
4. Whatever FD / NSC received as gift from non-relative is covered under 56(2)(x)?
5. Taxation of gifts received from person who ceases to be a relative on the date of receipt of gift?
6. Mrs. X received gift from Mr. A (her brother in law – Husband’s brother) of Rs. 1 Lac. Whether this is taxable. Mr. A on the date of gift Mrs. X is divorcee.
7. Mr. A desires to gift Rs. 1 Lac to his Uncle Mr. B. For Mr. B nephew – Mr. A is not relative. To overcome the problem Mr. A has gifted to his father Mr.C who in turn to gift to Mr. B (his brother). Can Mr. B successfully argue that amount received is exempt?
8. Where assesse received new flat in lieu of old flat surrendered under a redevelopment agreement, the transaction would not be regarded as receipt of immovable property for inadequate consideration for the purpose of Section 56(2)(x)

* (173 \* Taxmann Com 51 – Anil D Pitle vs. ITO Mum Tribunal)

1. Flat received as compensation on redevelopment compensation received as Court settlement to remove the nuisance of illegal occupant to be treated as Capital receipt?
2. Transfer of shares or other property in family settlement?
3. Buy back of shares?
4. Issue of Right Shares or Bonus Shares?
5. Conversion of Company to LLP?
6. Assignment if interest by one partner to another partner and change in profit sharing ratio?
7. Gift received by HUF?
8. Gift given by HUF to members?
9. Subsidy received from Government by an individual?
10. Property received by assesse from his step sister whether it is taxable u/s 56(2)(x)?
11. Consideration received for shares in excess of FMV of renounciation of right shares by wife & father in favour of assesse is exempt being received from relative?
12. Receipt by NRI?
13. Indemnity Receipt?
14. Awards & Scholarship received
15. Corporate restructuring like merger, demerger, amalgamation
16. Disssolution of Firm , Retirement of Parner ,
17. Is Section 56(2)(x) & Section 50CA applicable when unquoted shares are held as stock in trade and transferred for inadequate consideration.