

Bombay Chartered Accountants' Society

Suburban Study Circle

Convenors: CA Chintan Shah, CA Gunja Thakrar & CA Rimple Dedhia

ANALYSIS OF SECTION 45(4) AND SECTION 9B INCOME TAX ACT, 1961

Tax implications at the time of admission, retirement and reconstitution of firms have undergone a paradigm shift by virtue of amendments brought in by the Finance Act, 2021. The new provisions in sections 45(4) and 9B address taxability from the perspective of both, the Firm and its Partners, and along the way pose a number of new questions.

Hence, the Suburban Study Circle of BCAS has planned a session to spread awareness among Chartered Accountants on such provisions of Section 45 (4) and Section 9B for its members.

CA Upamanyu Manjrekar will lead the group discussion in physical meeting mode. **CA Amit Sawant** will chair the session and share his views on the topic.

Salient Takeaways from the session:

- Basics of section 9B, section 45(4), section 48(iii) and Rule 8AA (5) and Rule 8AB
- Various practical issues and controversies in interpreting amended section 9B and section 45(4)
 - Interpretational issues such as determination of nature of capital gains under s.9B and s.45(4) basis application of Rule 8AA and Rule 8AB
 - The cost of the asset in the hands of the partner receiving the capital assets from the firm
 - Tax Implications on receipt of money/ capital asset by legal heir of deceased partner
 - What is the meaning of 'receipt' for the purpose of s.9B and s.45(4)? Does it include constructive receipt?
 - Computation of capital gains under s.45(4) in case of negative capital balance of partner
 - Is s.9B/s.45(4) prospective or retrospective in nature?
 - Determination of cost step up to the firm in case of taxability under s.9B and s.45(4)
 - Set off and carry forward of losses in case of taxability under s.9B and s.45(4)
 - Other incidental issues

- Insightful discussion on Supreme Court case of '*The Commissioner of Income Tax v. M/s. Mansukh Dyeing and Printing Mills*'
- Supreme Court judgement on applicability of Sec. 45(4) of the Income Tax Act in cases of subsisting partners of a partnership, transferring the assets in favour of a retiring partner.

Days & Dates	Friday, 27 th January, 2023
Time	5:00 pm to 7:00 pm
Venue	C/o Bathiya & Associates LLP 912, Hubtown Solaris, N. S. Phadke Road, Andheri (E), Mumbai 400069. Google Map Pin: https://goo.gl/maps/7rH465wtdZ12
Topic	Analysis Of Section 45(4) And Section 9b Income Tax Act, 1961
Group Leader	CA Upamanyu Manjrekar
Chairman	CA Amit Sawant
Fees	For Members of Suburban Study Circle: Free For Non Members and Students: Rs. 250/- (incl. GST Rs. 38/-) <u>Annual Membership fees of Suburban Study Circle for FY 2022-2023: Rs. 472/- (Inclusive of GST Rs. 72/-)</u> <u>Payment link for annual membership:</u> https://bcas.ondemandcrm.co/bcasn/ProductDetails/MA==/NzU3