

# Taxation of LLPs

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LLP – Snapshot

# Partnership firm vs Private Company vs LLP

Factors	Partnership	Private Ltd Company	LLP
<u>General</u>			
Legal Person / Body Corporate	No	Yes	Yes
Perpetual Succession	No	Yes	Yes
Minimum Partners / Members	2	2 / 1 (OPC)	2
Maximum Partners / Members	50	200	No limit
Liability of entity separate from that of its partner / members	No	Yes	Yes
Partner / Member personally liable for debts of entity	Yes	No	No
Registering Authority	RoF	RoC	RoC

# Partnership firm vs Private Company vs LLP

Factors	Partnership	Private Ltd Company	LLP
Statutory Audit required?	No	Yes	Yes
Statutory Filing requirements	Least – almost minimal	Maximum	Annual return and other documents
Can it buy property in its own name?	No	Yes	Yes
Can it own shares in a Co.?	No	Yes	Yes
Can it be a partner in a Firm?	No	Yes	Yes
Can it be a partner in an LLP?	No	Yes	Yes
NBFC provisions applicable?	No	Yes	No
Foreign Direct Investment (FDI) possible ?	No	Yes	Yes (Sectors – 100% FDI – Automatic route)

# Partnership firm vs Private Company vs LLP

Factors	Partnership	Private Ltd Company	LLP
<u>Income Tax</u>			
Rate of Income-tax	30% + SC	25 / 30% + SC	30% + SC
MAT/AMT	AMT (On adjusted total income)	MAT (On book profits)	AMT (On adjusted total income)
Presumptive taxation – u/s 44AD	Yes	No	No
Dividend Distribution Tax	No	Yes	No
Share of profits / dividend in hands of partners / members	Exempt	Taxable (> 10,00,000)	Exempt
Deductibility of remuneration / interest to partners / directors	Yes	Yes	Yes
Expn to s.73 (losses treated as Speculative Losses)	No	Yes	No

# Private Company vs LLP

Key Factors	Private Company	LLP
Method of Accounting	Accrual	Cash or Accrual
CSR	Applicable (If exceeds limits prescribed)	Not applicable
Public Deposits	Detailed rules – some exemptions	No restrictions
Loan to Directors	Co. cannot lend to directors & interested concerns- some exemptions	No restrictions
Limit on Loans & Investment	Limits & compliance requirements	No restrictions / compliance
Related Party Transaction	Long list of RPT compliances	No restrictions / compliance
MAT Applicability	Yes	No
NBFC Hurdle	Yes	No

# LLP Limitations

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- Not widely recognized
- Limitation on types of instruments that can be issued:
  - Debentures - No express enabling or restricting provisions in LLP Act
  - Preference shares
  - Warrants
  - Other convertible instruments
- Limitations for raising private equity investments
  - Difficulty in providing for Drag Along Rights, Tag Along Rights, Anti Dilution Rights etc.
- ESOPs cannot be implemented
- Partner's interest in the LLP though transferable is not tradable like shares
- IPO and Listing



# Taxation of LLPs

# General tax implications

## General Provisions

- A “Limited Liability Partnership” and a general partnership will be accorded the same tax treatment (Excerpts from Explanatory Memorandum to Finance Bill No.2 of 2009. Reiterated also in CBDT Circular 5 / 2010 dated 3rd June 2010)
- Definition under section 2(23) of “Firm”, “Partner” and “Partnership” amended to include LLP
- All provisions of ITA applicable to firm and partners apply to LLP and its partners
- General Tax Rate –

Income <= 1 crore	Income > 1 crore
31.20 % <sup>*</sup>	34.944 % <sup>**</sup>

\* - including 4 % health and education cess

# - Including 12 % surcharge

- No double taxation – No DDT - Share of Profit – exempt under section 10(2A)

# General tax implications

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## Assessment as 'Firm'

- Section 184 – Assessment as a firm when LLP is evidenced by instrument of LLP and individual share of partners are specified in the instrument
- Submission of certified copy of instrument of LLP
  - In the year of creation and in every year where amendment is made
  - Implication under e-filing of tax returns - rule 12 of Income-tax rules
  - Non-submission of certified copy of partnership deed along with return of income is a procedural default which can be cured during the course of assessment proceedings - *CIT vs M/s. S.R. Batliboi & Associates ITO 190 (Calcutta HC)*
- LLP shall be assessed as AOP in case of failure to comply with provisions of section 184 or failure as mentioned in section 144
- In case of above non-compliance, interest, remuneration, salary paid to partners not deductible while computing income of LLP
- If disallowed in LLP – not to be included in income of partner under section 28(v)

# General tax implications

## Remuneration & interest on partner's capital

All the following conditions to be satisfied:

### Remuneration

- In accordance with LLP Agreement
- Relating to the period post date of execution of LLP Agreement
- Not exceeding the prescribed limit
- Paid to Individual Working Partner

### Interest

- In accordance with LLP Agreement
- Relating to the period post date of execution of LLP Agreement
- Not exceeding 12% per annum

**“Representative capacity” – Explanation 1 and 2 of section 40(b) of ITA**

# General tax implications

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- **Section 36(1)(iii):**

- Capital contribution of partners is capital borrowed for the purposes of business or profession and for allowance of deduction of interest payments, requirement of section 36(1)(iii) needs to be fulfilled -

- *Munjhal Sales Corp v CIT [2008] 298 ITR 298 (SC)*
- *ACIT vs. Pahilajrai Jaikishin ITA 994 (Mumbai ITAT)*

- **Section 40(b) v/s section 40A(2):**

- No disallowance under section 40A(2) is warranted if the conditions as specified in section 40(b) are complied with –

- *CIT v. Great City Manufacturing Co. (2013) 351 ITR 156 (Allahabad HC)*
- *Chhajed Steel Corp. V/s Asst. CIT (2001) 77 ITD 419 (Ahmedabad ITAT)*
- *ACIT v/s Budhalal & Co. ITA 2056 (Ahmedabad ITAT)*

# Capital Contributions

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## Modes and Valuation – section 32 of LLP Act

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- Can be in cash / kind, tangible / intangible , movable / immovable
- Can be by way of promissory notes, contract for services performed or to be performed
- Contribution to be accounted & disclosed in books in prescribed manner
- Rule 23(2) - Contribution in kind to be valued – practicing Chartered Accountant / Cost Accountant or approved valuer – whether gift possible ???
- Partner bound to bring agreed contribution

# Capital Contributions

## Tax implications

### For partner

- **Issue : Capital contribution in kind – Key tax implications**

- Section 45(3) of ITA – Capital gains in hands of partner at value recorded in books
- “Accounted and disclosed” in prescribed manner as per section 32(2) of the LLP Act
- Rule 23(2) of LLP Rules – prescribes valuation of contribution in kind by approved valuer
- Difficulty in valuation
  - The determination of the cost in terms of money may be difficult but is nonetheless of a money value and the best valuation possible must be made - A.R. *Krishnamurthy v CIT [1989] 43 Taxman 30 (SC)*
  - Valuation is not an exact science. Mathematical certainty is not demanded, nor indeed is it possible - *Viscount Simon in Gold Coast Selection Trust Ltd. v. Humphrey (Inspector of Taxes) [1949] 17 ITR (Suppl.) 19 (HL)*

### For LLP

- Capital contribution by partner in LLP – subject to 56(2)(x)?

# Capital Contributions

## Tax Issue - 45(3) vs. 50C / 50CA

Partner

Contribution of land / building unquoted shares as capital in LLP

LLP

**In case of contribution of land / building / unquoted shares in LLP**

- Amount recorded in the books of LLP is lower than section 50C or 50CA value

### Issue - Section 45(3) vs. 50C or 50CA

- Section 50C, 50CA and 45(3) are all specific (class of asset / situation)
- Section 50C, 50CA & 45(3) are all deeming provisions
- Section 50C and 50CA are part of computation provision, 45(3) is part of charging section
- *DCIT vs M/s Amartara Pvt. Ltd. (ITA No. 6050 / Mum / 2016) (Mum ITAT)* - deeming fiction under one section cannot be extended to another deeming fiction – section 45(3) prevails over section 50C

<b>Amount recorded in books of LLP</b>	<b>10 crs</b>
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50C / CA valuation	15 crs
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# Admission of partner

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- New partner may be introduced in LLP as per terms of LLP agreement, or with consent of all partners, if LLP Agreement is silent
- Prior to introduction, surplus in valuation of LLP business / assets may be credited to existing partners capital account
- **Issue: Whether existing partners liable for capital gain on receipt of consideration on admission of new partner – Is it relinquishment of their existing right?**
  - *CIT vs. P.N. Panjawani [356 ITR 676 (Karnataka HC)]* – Not taxable as no specific provision like 45(3) / 45(4) in Income-tax Act for levying capital gains in hands of existing partners on admission of new partners
  - *CIT vs. Kunnamkulam Mill Board [257 ITR 544 (Kerala HC)]* –
    - Upon admission of partner, there is no change in the status of firm
    - Rights of existing partners are reduced and rights are created in favour of newly inducted partners
    - Ownership of assets do not change with the change in constitution of firm

# Transfer of partner's rights

## Regulations

- **Section 42 of the LLP Act: Assignment / transfer of partner's interest**
  - To share profits and losses;
  - To receive distribution in accordance with LLP agreement
  - Such a transfer does not cause the disassociation of the partner
  - Cannot be regarded as dissolution of LLP
  - Can both be separately assigned ? – seems yes
  - Whether in part or whole ? - possible
  - Assignee / Transferee
    - Does not become partner - implications under ITA – section 40(b); section 10(2A)
    - Does not get right of management in the LLP
- Can it be used to transfer right to receive profits to Minor / HUF ?
- Can be assigned for a stated consideration
- Since rights are granted by the LLP Act, can it be abrogated by contract between parties

# Transfer of partner's rights

## Tax implications

- **Key tax implications in hands of partner?**
  - Nature of rights of a partner – “capital asset” or personal privilege
  - By virtue of section 42 of the LLP Act – separately assignable – hence can be “capital asset” under section 2(14)
  - Under Partnership Act, 1932 – Transferability subject to mutual consent of partners
- What is the cost of such right ?
  - Can it be capital contribution – see deeming provision under section 49(2AAA) – conversion
  - Can we apply *BC Srinivasa Shetty 21 CTR (SC) 138* – good arguable case
  - Can it be regarded as right to carry on business - section 55(2)(a) / 55(1)(b) which deems COA & COI as NIL – seems no

# Transfer of partner's rights

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## Tax implications

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- **Key tax implications in hands of assignee / transferee ?**
  - Transfer of right by itself – assignee / transferee – not regarded as ‘partner’
  - Section 10(2A) of the ITA exempts the share in the income of firm in the hands of partner
    - Whether 10(2A) exemption to assignee – seems no
    - Whether under PGBP or IFOS?
    - Whether depreciation under section 32 allowable on consideration paid to acquire interest ?
      - Intangible assets includes any other business or commercial rights of similar nature
      - Possible to claim depreciation

# Retirement of partner

## Tax implications for LLP

Whether 'retirement' is covered by term '**or otherwise**' used in Section 45(4)?

- Yes

- Bombay HC in case of *CIT vs. A.N. Naik Associates [2004] 265 ITR 162* held:  
“Word ‘otherwise’ used in section 45(4) takes into its sweep not only cases of dissolution but also cases of subsisting partners of a partnership, transferring assets in favour of a retiring partner”
- Karnataka HC (FB) in case of *CIT vs. Dynamic Enterprises [(2013) 359 ITR 83 (Karnataka) (FB)]* - Section 45(4) is applicable on ‘transfer of assets from firm to partners’ – not merely on dissolution

**Taxability on distribution of cash / kind by firm to retiring partner:**

- Cash – Not taxable in hands of firm – Karnataka HC in case of *CIT vs. Dynamic Enterprise [(2013) 359 ITR 83 (Karnataka) (FB)]*
- Assets (other than cash) – Taxable in hands of firm – Bombay HC in case of *CIT vs. A.N. Naik Associates [(2004) 264 ITR 162]*

# Retirement of partner

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## Tax implications for partners

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**Key tax implication: Whether surplus on retirement from LLP taxable?**

### **Arguments - Taxable**

- Indian Partnership Act- Partnership firm not a distinct legal entity apart from partners constituting it
- LLP – separate legal entity
- No provision in LLP Act - on retirement – interest of the partner to be evaluated
- Under LLP Act – on retirement, partner entitled to share in accumulated profits
- *Mohanbhai Pamabhai 165 ITR 166 (SC)* – surplus is not taxable as partner receiving what is due to him. Argument does not directly apply to LLP
- *N. A. Mody 162 ITR 420 (Bom)* – specific assignment of rights on retirement – taxable as Capital Gains
- Assignment / Transfer under section 42 of the LLP Act is specific and cannot be presumed

# Retirement of partner

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## Arguments – Not Taxable

- Partnership firm and LLP – treated on the same plank in Income-tax
- Circular 5 of 2010 – “conversion of partnership firm into LLP will have no tax implications. The separate entity status of LLP is not significant factor in determining tax implication” – binding even if deviating
- All provisions as applicable to firms to apply to LLPs, including SC decision
- On retirement- partner receives capital, share in profits, share in valuation of assets including goodwill – taxation of surplus will lead to double taxation
- Determination of Cost – whether original capital or capital at retirement etc.
  - Can we apply *BC Srinivasa Shetty 21 CTR (SC) 138*

# Change in constitution

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- **Section 79** of Income-Tax Act – Change in shareholding  $\geq 51\%$  - **Not applicable to LLP**
- **Section 78** of Income-Tax Act - **applicable to LLP**
  - Applicable on retirement or death of partner
  - Not applicable on change in constitution on admission of partner / change in PSR
  - Firm not entitled to carry forward and set off loss proportionate to share of the retired or deceased partner exceeding his share of profits in the previous year
  - No restriction on carry forward of unabsorbed depreciation or change in constitution due to admission of partner or change in PSR
  - No provision for protection of loss in case of inheritance (as contained in section 79)



# Alternate Minimum Tax

- **AMT - Section 115JC & section 115JD**

- AMT Rate

Income <= 1 crore	Income > 1 crore
19.24 % <sup>*</sup>	21.5488 % <sup>**</sup>

\* - including 4 % health and education cess

# - Including 12 % surcharge

- Adjusted Total Income = Net Taxable Income + Deduction under part C of Chapter VI A (other than section 80P) + deduction under section 10AA (SEZ Units) + deduction under section 35AD (net of notional depreciation otherwise allowed)
  - Not like MAT for companies which is computed on **Book Profits**
  - Credit of amount allowed to be carried forward for 15 Assessment Years; No interest – Section 115JD
  - Credit limited to excess of normal tax over AMT liability

# Alternate Minimum Tax

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## Issue: LLP converted into company under chapter XXI – Impact of AMT Credit under section 115JD

- Arguments in favour
  - AMT credit – allowed – person paying the taxes under the AMT provisions
  - Firm – succeeded by company – for all legal purposes entity remains the same
  - Under section 115JAA – Specific provision restricting MAT Credit - Co to LLP
  - Similar restriction missing in AMT provisions – Indicates legislative intention
- Arguments in against
  - AMT and MAT are different levies and are not interchangeable
  - AMT – Non corporate assessee – cannot be utilised by a corporate entity

# Other tax benefit and limitations

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## **Tax benefits to LLP**

- Certain provisions not applicable to LLP such as:
  - Section 2(22) does not apply ; Section 2(24)(iv) - perquisites in the hands of Directors / substantial shareholder or their relatives
  - Explanation to Section 73; Section 115O;
  - Company Partner in LLP - income from LLP not subject to MAT

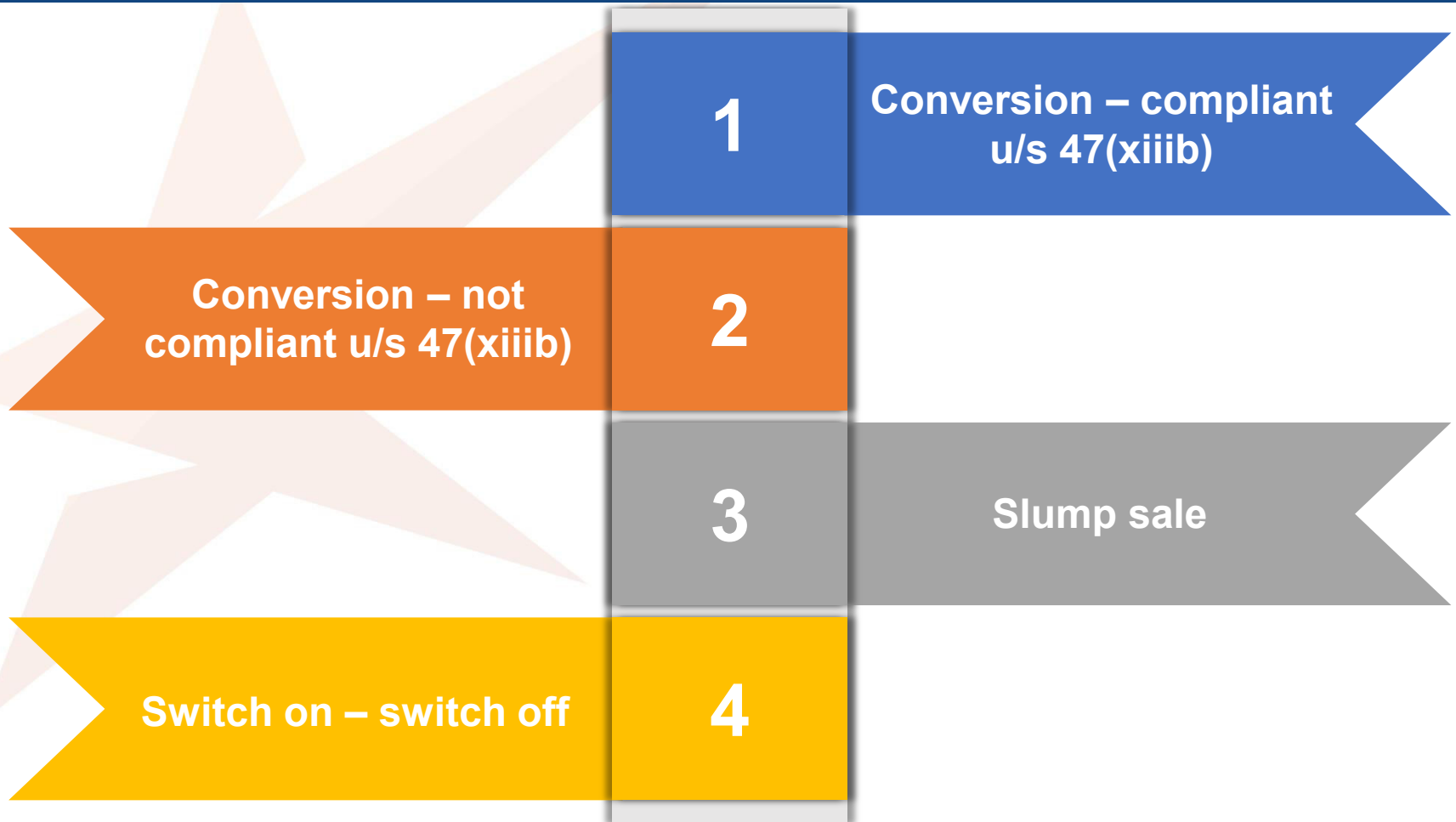
## **Tax limitations:**

- LLP is not eligible for certain tax benefits such as:
  - Section 35(2AB), section 35DD
  - Tax neutrality under section 47(vi), (via), (vib), (vid),(vii)
  - Benefit of lower tax rate of 25% (Companies with turnover < 250 crores)
  - Section 80-IA(4)(i) - Deduction on profits of infrastructure projects
  - Section 115BBD – Dividends from overseas subsidiary

Conversion of  
Company into LLP  
– Tax implications

# Modes of conversion

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# Conversion compliant with section 47(xiiib)

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- Tax neutral
  - No “transfer” for transferor company
  - No “transfer” for the shareholders
  - Conversion as per section 56 / section 57 of the LLP Act
- Carry forward of losses and unabsorbed depreciation of company - section 72A(6A)
  - Becomes accumulated losses and unabsorbed depreciation of the LLP
  - Of the year in which the conversion takes place -
    - Possible to argue that a fresh lease of life
  - Violation of conditions of section 47(xiiib) – loss / depreciation set off by LLP – taxable in LLP

# Conversion compliant with section 47(xiiib)

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- Depreciation on assets to LLP as per WDV of company - Explanation 2C to section 43(6)
  - No step up in WDV – same WDV to continue
- Cost of other non depreciable assets – cost to previous owner – company – section 49(1)(iii)(e)
- Cost of rights of partner under section 42 of the LLP Act on such conversion
  - Cost of the shares of the predecessor company – section 49(2AAA)
  - Only if rights as a partner in the LLP separately assigned under section 42
  - Accumulated profits or reserves credited to the partners account – not eligible as cost ?
- Carry forward MAT credit of company will not transfer to LLP – section 115JAA (7)

# Violation of condition u/s 47(xiiib) – S.47A(4)

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## Tax implications – Section 47A(4)

- Conversion into LLP – tax exempt – if conditions specified under section 47(xiiib) complied
- Two type of conditions
  - Required to be fulfilled at the time of conversion – if not fulfilled at the time of conversion itself – non compliant conversion – **discussed later**
  - Required to be fulfilled till specified period after conversion
    - If violated in year of conversion – non-compliant conversion - *Aravali Polymers LLP – 47 taxmann.com 335 (Kolkata - ITAT)*
    - If violated later on within specified period - section 47A(4) to apply
- If conditions under section 47(xiiib) violated - tax implication – two fold
  - Profit & gains not charged as capital gains in hands of company – taxable in hands of converted LLP – in year in which condition is violated
  - Profit & gains not charged to tax in hands of shareholder of company – taxable in their hands in year in which condition is violated



# Non-compliant conversion

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- **For Company:**

- Statutory vesting
  - Reliance on Part IX related decisions of statutory vesting – not a transfer
    - *CIT vs. Texspin Engg. & Mfg. Works - (2003) 263 ITR 345 (Bom)*
    - *Rita Mechanical Works 344 ITR 544 (P&H)*
    - *Gulabdas Printers 4 ITR (Trib) 264 (Ahd)*
    - *Well Pack Packaging 78 TTJ 448 (Ahd)*
    - *CIT vs Umicore Finance Luxemborg 291 CTR 174 (Bom)*
- Transfer involves 2 parties ... transferor and .... transferee
- Good case .... Still not taxable as capital gains
- However unabsorbed depreciation or unabsorbed loss will lapse

# Non-compliant conversion

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- **For Shareholders –**

- Whether any CG implications ??
  - Conversion leads to extinguishment of rights in shares ... covered by *Grace Collis 248 ITR 323 – [SC]* - Hence transfer under section 2(47)
- What is consideration for transfer?
  - *Sunil Sidharthbhai - 156 ITR 509 (SC)* - consideration credited to partners capital account is not what finally comes to him
  - However section 50D – where consideration “not ascertainable” or “cannot be determined”
    - Take FMV of asset transferred i.e. shares
    - **Valuation of shares- Rule 11UA or FMV??**
- Hence potential taxation in hands of shareholder

# Slump sale

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## Tax implications

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- In the hands of the Transferor company:
  - Specific provisions – section 50B
  - Period of holding
    - if undertaking in existence  $\leq$  36months – STCG
    - if undertaking in existence  $>$ 36 months – LTCG, however, no indexation benefit
  - Cost of acquisition – “Net worth” of the undertaking
    - “Net worth” – assets *less* liabilities (values as per books of accounts)
    - Change in value of assets by revaluation – to be ignored
- In the hands of the Transferee LLP:
  - Applicability of section 56(2)(x)
    - Should not apply to receipt of business undertaking

# Switch on – switch off

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## New LLP – New Business

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- Start business in LLP
- Over period of time discontinue business in the Company
- Itemized transfer of some important assets / liabilities
  - No statutory protection
  - Implications under respective acts to be evaluated
  - Simple and easy to implement
  - Significant limitations
  - Dependent on specific facts

# Restructuring of LLP

# Restructuring of LLP

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## Regulations

- Section 60 to section 62 of LLP Act provides detailed framework for compromise or arrangements of LLPs
  - similar to Section 391 to Section 394 of Companies Act, 1956 / Section 230 to Section 232 of Companies Act, 2013
- Possible modes of restructuring of LLP:
  - Merger of 2 or more LLPs – **discussed later**
  - Demerger of LLP
  - Compromise or arrangement between LLP and partners
  - Compromise or arrangements with creditors
  - Conversion from / to LLP
  - Merger of LLP into company – **discussed later**

# Merger of 2 or more LLPs

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## Tax Implications

- No specific tax neutral provisions covering such transactions
- In the hands of the amalgamating LLP
  - No specific exemption under section 47
  - To be tested as per normal provisions
  - Possible arguments – not taxable
- Reliance on the decision of *CIT vs Texspin Engg. & Mfg. Works - (2003) 263 ITR 345 (Bom)*
  - Statutory vesting – not a transfer
  - No consideration received by the transferor LLP
  - At the time of merger, the transferor LLP ceases – for “transfer” of capital asset – there should be existence of party and counter party

# Merger of 2 or more LLPs

## Tax Implications

- In the hands of the amalgamating LLP
  - Section 62(1)(b)(iii) of the LLP Act – Merger order may provide for dissolution, without winding up of any transferor LLP
    - Implications under section 45(4) of the ITA – on dissolution of the firm
      - applicability ?
        - Section 45(4) – Distribution of capital assets by the firm to the partners
        - Good argument – there is no distribution of capital assets by the amalgamating LLP to partners
          - Reliance on the decision of *CIT vs Texspin Engg. & Mfg. Works - (2003) 263 ITR 345 (Bom)*



# Merger of 2 or more LLPs

## Tax Implications

- In the hands of the partners
  - Extinguishment of rights of partner in amalgamating LLP – capital asset – *Grace Collis vs CIT 248 ITR 323 (SC)*
  - It amounts to “transfer”
    - Consideration on such transfer – interest in the amalgamated LLP
      - *Sunil Sidharthbhai - 156 ITR 509 (SC)* - consideration credited to partners capital account is not what finally comes to him
      - Recourse to section 50D – since consideration not ascertainable
        - However, difficulty in determining “FMV” of the interest given up
    - Cost of acquisition of interest given up in amalgamating LLP ?
      - Can it be initial capital contribution, closing capital balance ?
        - Better case – closing capital balance
      - Difficulty in determining the cost of interest in amalgamating LLP
    - Can we *apply BC Srinivasa Shetty 21 CTR (SC) 138* – good arguable case - no capital gains

# Merger of LLP into company

## Regulations

### Merger of LLP into company – whether possible ?

- Amalgamation of company with other company
  - Governed by Companies Act, 2013
- Amalgamation of LLP with other LLP
  - Governed by LLP Act, 2008
- Merger of LLP into company
  - Companies Act, 1956 – allowed a body corporate as a transferor entity in scheme of amalgamation
  - Companies Act 2013 and LLP Act, 2008 - Neither specifically permitted nor prohibited
  - Companies Act, 2013 – Allows merger of foreign body corporate with Indian company and vice versa
- NCLT Chennai in a recent decision<sup>1</sup> – approved merger of LLP into company in the context of Companies Act, 2013 – absence of specific provision was considered to be case of '*casus omisus*'

1 – CP /123 / CAA / 2018 (TCA/157/CAA/2017)

# Merger of LLP into company

## Tax implications

- No specific tax neutral provisions covering such transactions
- In the hands of the amalgamating LLP
  - Section 47(xiii) – tax neutral transfer – succession of LLP into company
    - No tax on transfer of business in the hands of LLP
    - Conditions specified under section 47(xiii) needs to be complied
  - Conditions under section 47(xiii) – not complied – possible arguments – not taxable
    - Reliance on the decision of *CIT vs Texspin Engg. & Mfg. Works - (2003) 263 ITR 345 (Bom)*
      - Statutory vesting – not a transfer
      - No consideration received by the transferor LLP
      - At the time of merger, the transferor LLP ceases – for “transfer” of capital asset – there should be existence of party and counter party

# Merger of LLP into company

## Tax implications

- In the hands of the partners
  - Extinguishment of rights of partner in amalgamating LLP – capital asset – *Grace Collis vs CIT 248 ITR 323 (SC)*
  - No specific exemption under section 47(xiii)
  - It amounts to “transfer”
    - Consideration on such transfer – shares of the company
      - Fair market value of such shares
      - **Valuation of shares- Rule 11UA or FMV ??**
    - Cost of acquisition of interest given up in amalgamating LLP ??
      - Can it be initial capital contribution, closing capital ?
        - Better case– closing capital balance
      - Difficulty in determining the cost of interest in amalgamating LLP
      - Can we *apply BC Srinivasa Shetty 21 CTR (SC) 138* – good arguable case - no capital gains

# Thank you!



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