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हिन्दी में पढ़िए



**Jayant R. Pai, Vice President and Certified Financial Planner, Parag Parikh Financial Advisory Services**

16 Feb- 14:00hrs

**Q. Tax planning**

**Tax planning advise to investors**

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## Chat Transcript :

**broker72** : can u suggest some good tax planning methods to save tax incase of short term cap gains

**Jayant R. Pai** : In case your STCG is earned from listed equity shares there is no shelter as you are being charged a concessional rate of 15% (and not the marginal tax rate). For other forms of STCG you can offset it with short term losses incurred in any asset other than listed equities.

**dhanasekarbmed** : sir, i been trading F&o for three years, for last two year i been having losses for this i made profits, can off set the loss made in last year with the profits of this year?

**Jayant R. Pai** : Yes. You can offset it. However it may be prudent to check with your tax advisor regarding your particular case because the treatment may vary based on the amount and frequency of your trading.

**m\_craj1976** : Hi, Putting money in a Infra bonds (20,000) is good idea compared to PPF. Even though it is a extra benefit given by government, analysts say PPF is better if you have space in there

**Jayant R. Pai** : PPF is exempt at all three stages viz. Investment (80C), accumulation and withdrawal while in case of Infra Bonds the interest/gains are taxed. In that sense PPF is better. However the two can be mutually exclusive in the sense that the Rs. 20000 tax benefit is over and above the one u/s 80C.

**INDOTEXOFAB** : Would you be kind enough to suggest a few good tax saver mutal funds.

**Jayant R. Pai** : Fidelity Tax Advantage, Franklin Taxshield and Canara Robeco Tax Saver are three good large-cap oriented tax plans. ICICI Prudential Tax Plan is a good mid-cap oriented tax plan.

**dhanasekarbmed** : sir, can u suggest some tax planning books, where we can understand basics about taxes and how to plan it?

**Jayant R. Pai** : How to Save Income Tax through Tax Planning (F.Y. 2010-11) by R.N. Lakhotia and Subhash Lakhotia. 51 Tips for Saving Income Tax by R.N. Lakhotia

**rakeshpatil** : hello sir, can u put some light on HRA. thks

**Jayant R. Pai** : If you receive HRA it is exempt up to the the minimum of the following three options: Actual house rent allowance received from your employer Actual house rent paid by you minus 10% of your basic salary 50% of your basic salary if you live in a metro or 40% of your basic salary if you live in a non-metro Salary here means basic salary which includes dearness allowance if the terms of employment provide for it, and commission based on a fixed percentage of turnover achieved by the employee. The deduction will be available only for the period during which the rented house is occupied by the employee and not for any period after that. If you live in an owned house, the entire amount of HRA will be taxable.

**amnatu** : Hi Mr. Jayant, I am an NRI, with income in India from property rent, and stock investments short term/ long term. TDS is deducted for capital gains. My total income is less than 1.6 Lakhs, Should I file IT returns for income?

**Jayant R. Pai** : Since your income is below the tax exemption limit you need not file your returns.

**vera** : Sir, my annual income is 2,40,000. please can you suggest some methods as to how to save tax and where i should invest the money?

**Jayant R. Pai** : If you are a female assessee you should invest Rs. 50000 in order to reduce your tax liability to NIL. You may choose from various options u/s 80C such as PPF, New pension Scheme, ELSS, NSC, etc. You can also integrate your tax planning with your expenses such as children's school fees, life insurance premium etc. Even the health insurance premium that you pay for yourself is exempt upto Rs. 15000. You can also choose to invest in Infrastructure Bonds but I think it is unnecessary for you as you will not even exhaust the limit of Rs. 1 lakh u/s 80C.

**amnatu** : I would also like to enquire that by filing IT return, can I claim back the TDS deducted towards the short/long term capital gains from my stock market investments? if the total income/ profit is less than 1.6 lakhs?

**Jayant R. Pai** : If this is the case then you are entitled for a refund.

**INDOTEXOFAB** : Sir, i have bought & sold shares in the cash mkt in intervals ranging from 5 days to 2 months. The profit from these transaction shall be treated as short term profit & liable to tax @15%

**Jayant R. Pai** : Yes. You are right. As long as these are transacted on the stock exchange and the requisite STT has been levied on them.

**amnatu** : Sir, thanks a lot for your reply, which has clarified a lot of things for me. One last Q., I have sizeable investmnt in Mutual funds with growth options. Now I want to switch them and get into Dividend options of the same schemes, which would generate me a regular income upon return to India. Will this switch be subject to capital gains tax?

**Jayant R. Pai** : Unfortunately it will be, as it will be deemed as redeeming from one scheme and re-investing it in another scheme.

**lokeshbhat** : Can i claim HRA & and House loan benefit both?

**Jayant R. Pai** : If you have taken a home loan to buy a house in one city, say New Delhi but you reside in another city, you can get tax benefits on your housing loan. If you have bought a house but stay in a rental accommodation in the same city because your house is not ready for possession, you are entitled to tax benefits on HRA. You could claim tax benefit on the home loan only if your home is ready to live in during that financial year. Once the construction on your home is complete for possession, the HRA benefit stops. However, if you have bought a house by taking a home loan and stay in a rented accommodation after giving you house on rent, you will be entitled to all the tax benefits mentioned above.