

TR 279

Facts

On 3rd May 2017, X Ltd purchased 2 plots of land from Mr Y for Rs 55,000,000.

On 21st March 2024, the Government of the Republic of Mauritius acquired the land for an amount of Rs 111,100,000 for the implementation of parking and other infrastructural facilities.

Given that this was a transaction with the Government of the Republic of Mauritius, the said deed was exempted from the land transfer tax.

Point at issue

Whether X Ltd is subject to income tax on the sale of the properties made to the Government of the Republic of Mauritius?

Ruling

On the basis of the facts mentioned above, it is ruled that the X Ltd is subject to income tax on the gain arising from the sale of the properties made to the Government of the Republic of Mauritius in accordance with section 10 of the Income Tax Act.

