

Important circular from CBDT to avoid litigation on sale of shares and Securities

Circular no 6 / 2016

1	If the assessee opts to treat the transaction as stock in trade irrespective of the holding period	Business Income
2	Listed shares and securities Held for more than 12 Months	Capital gains unless the assessee desires to treat it as Business Income. However, once the assessee chooses to opt as business income or capital gains, it will be applicable for subsequent asst. years also. Taxpayers will not be ALLOWED, to take a contrary view in subsequent year (s)
3	In any other case	Existing circulars issued by the board will continue to apply.