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Types of Capital Asset

Short term capital Asset (STCA)	long term capital Asset (LTCA)
↓	↓
STCG	LTCG.

	Capital Asset	Period of Holding.	
		upto 22/07/24	from 23/07/24
Part A	> Security listed in recognised stock exchange of India. > unit of UTI > unit of equity oriented Mutual fund > ZCB	1 year	1 year
Part B	> unlisted shares (shares not covered in part - A) > Immovable property	2 year	2 years
Part C	Any other Asset	3 years	2 years

★ If any asset held for more than 1/2/3 years then it is treated as LTCA otherwise STCA examples

	Cases	Assets	Transfer before 23/7/24	Transfer after 23/7/24
1	~~Gold~~ 1	Gold	3 years	2 years.
	2.	Shares of I Rel. Ind ltd listed in NSE	1 year	1 year
	3.	House property	2 years	2 years
	4.	Shares of BB. Virtuals pvt ltd	2 years	2 years
	5.	unlisted unit of kotak mf eq oriented	1 year.	1 year.
	6.	zero CB	1 year	1 year
	7	unlisted unit of SBI Debt Mf	3 years	2 years.
	8	Shares Apple inc listed in USA stock exchange	2 years	2 years

Sec 48. Computation of Capital Gain

	Income of STCA	₹	Income of LTCA	
	Full value of Considration	xx	Full value of Considration	xx
(-)	Transfer exp	xx	(-) Transfer exp	xx
	Net considration	xx	Net considration	xx
(-)	cost of Acquistion	(xx)	(-) Index cost of Acquistion (N-1)	(xx)
(-)	Cost of Improvement	(xx)	(-) Index cost of Improvement (N-2)	(xx)
				xx
	STCG	xx		

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Note 1 :

Index cost of Acq

$$\text{Cost of Acq} \times \frac{\text{Index of the year of Transfer}}{\text{Index of the year of Acquistion}}$$

Note 2 :

Index Cost of Improvement

$$\text{Cost of Improvement} \times \frac{\text{Index of the year of trs}}{\text{Index of the year of Improvement}}$$

* Cost Inflation (CII)

FY	C.I.I	Fy	CII	Fy	CII
2001-02	100	2009-10	148	2017-18	272
2002-03	105	2010-11	167	2018-19	280
2003-04	109	2011-12	184	2019-20	289
2004-05	113	2012-13	200	2020-21	301
2005-06	117	2013-14	220	2021-22	317
2006-07	122	2014-15	240	2022-23	331
2007-08	129	2015-16	254	2023-24	348
2008-09	137	2016-17	264	2024-25	363

Note 3 : If Asset acquired before 1/4/2001

CoA (Cost of acquistion)

i) Actual cost
ii) FMV on 1/4/2001

which ever is higher

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(Ammendment)

Imp Note :- Index benefit not available if Asset transfer on or after 23/7/2024

(Note 1 & 2 Not Applicable on or after 23/7/24 transfer)

Note 4 : If Any Improvement before 1/4/2001 → Ignore

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→ Mr. C (PY 24-25 AY 25-26)

computation of capital Gain.

Full value of considration		72,00,000
- Trf exp		(60000)
		7140000
(–) ICOA		
(i) cost of 106000		
(ii) FMV on 1/4/2001 450000		
	$450000 \times \frac{363 (24\text{-}25)}{100 (01\text{-}02)}$	(1633500)
(–) ICOI		
03.04	$31000 \times \frac{363 (24\text{-}25)}{109 (01\text{-}02)}$	(1032385)
9.10	$250000 \times \frac{363 (24\text{-}25)}{148 (01\text{-}02)}$	(613175)
	LTCG	3860940

Note:- In the present question Improvement done before 2001 shall be ignore.

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Q2

Mr. A

Computation of Capital Gain.

Full value of Consideration.		37,00,000
(–) Transfer exp		(74000)
	Net Consideration	3626000.
(–) ICOA		
	$350000 \times \frac{363}{109}$	(1165596)
(–) ICOI		
	$200000 \times \frac{363}{113}$	(642477)
		1817927

~~ex~~

~~A is the ow~~

Example.

MR. Gopal acquired a House Property for ₹ 7 lakhs in (pre-year 82-83) & paid stamp duty on the time of registration of ₹ 150000. FVM of property on 1/4/20 is ₹ 16,00,000. He incurred following expense on improvement

96-97	-	350000
12-13	-	400,000
23-24	-	350000.

He sold this Property to Balu on 22/07/2024 For ₹ 1,25,00,000. & paid commission ~~2%~~ at the time of transfer 2%.

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Mr. Gopal.

→ Computation capital Gain

Full value of considration	1,2500,000
(-) Transfer exp.	(250000)
Net C	12250000
(-) ICOA	
i) 700000 + 150000 = 850000	
ii) 1600,000 $\frac{160000}{1600,000} \times \frac{363}{100}$	(5808000)
(-) ICOI	
i) 2012-13. $400000 \times \frac{363}{200}$	(726000)
ii) 23-24 $350000 \times \frac{363}{348}$	(365086)
LTCG	5350914

~~et~~ extra

Suppose in above question If Gopal transfer such HP on 23/07/2024 instead of 22/07/2024 what will be long term Capital Gain

→ Computation capital Gain

FVOC	12500,000
(-) Transfer exp	(250000)
Net Consideration	12250000
(-) ICOA	
i) cost (700000 + 150000)	
ii) FMV on 1/4/2001 1600000	(1600000)
- (ICOA)	~~600000~~
py 12-13	(400000)
py 23-24	(350000)
LTCG	

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IMP Note: (Amendment)

In case of Resident Individual & HUF if any immovable property transfer on or after 23/07/24 and such property was acquired before 23rd July 2024 then tax such long term capital Gain shall be lower of i) 12.5% without Indexation
ii) 20% with indexation.

* Above option is applicable only for tax calculation & not for the purpose of capital Gain & total income calculation.

extra eg

Suppose in continuation of above example Gopal transfer House property on 23rd July 2024. his other income is ₹10,00,000. Calculate total income & tax liability of mr. Gopal. (opt out from 115BAC)
(PY 24-25, AY 25

Computation of Total Income

LTCG on sale of HP (calculated Above)	99,00,000
other Income	10,00,000
Gross Total Income	10900,000

Calculation of tax liability

i) Tax on LTCG

(a) 12.5% without index (9900,000 x 12.5%)	1237500
(b) 20% with index (5350914 x 20%)	1070183
which ever is lower	1070183.

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ii) Tax on Balance Income

upto 250000	-	-	
> 250000 upto 500000	5%	12500	
> 500,000 upto 10,00,000	20%	100,000	112500
			1182683
	Add: surcharge @ 15%		177402
			1360085
	Add: HEC @ 4%		54404
			1414489