

— special case 8 —

Sec 50D :- Capital gain if consideration not determinable

FVOC is equal to FMV of Asset transferred [Asset jo jada rahi hai]

— special case 9 —

Sec 50AA :- Capital gain in case of Debt Mutual fund, MLD (Market linked debenture), unlisted debentures and bonds.

In case of :-

- a) Unit of specified Mutual fund acquired on or after 1/4/23
- b) Market linked Debenture
- c) unlisted debentures / Bonds transferred on or after 23/7/2024.

— The capital shall be calculated as follows and it is always STCG

Computation of capital gain	₹
FVOC on transfer / Redemption or maturity	xxx
(-) Transfer exp	(xx)
Net consideration	xxx
(-) COA	(xx)
STCG	xxx

Note 1) - In above cases capital gain is always STCG irrespective of POH.

2) Specified Mutual Fund (Debt MF) means Mutual Fund where Mutual Fund company invests more than 65% of investible fund into debt security.

Example: Mr. X has invested ₹ 10,00,000 in a Specified Mutual Fund (Debt MF) on 1st April 2018. On 1st April 2020, the value of the investment has increased to ₹ 12,00,000. Mr. X has sold the investment on 1st April 2020.

Particulars	2018	2020	Value
Investment	₹ 10,00,000	₹ 12,00,000	₹ 12,00,000
Capital Gain			₹ 2,00,000

Conclusion

Capital Gain is STCG

2018-19

Capital Gain is STCG

2019-20

— Special case 10 —

Capital Gain in case of NR

If following conditions are satisfied then CG is calculated in foreign currency and reconvert it into Indian currency.

- 1) Assessee should be NR
- 2) Assessee should purchase share or Debenture of Indian company.
- 3) Such Asset purchased in foreign currency.

Eg:- Miss Sunny is a NR acquire shares of BB Ltd an Indian company for ₹ 75000 on 16/7/2017 in US Dollar. She transferred all the shares on 10/12/2025 for ₹ 5,00,000. Transfer expenses is ₹ 20,000. Compute Capital gain.

Exchange Rate	TTBR	TTSR
16/7/2017	50	52
10/12/2025	63	65

→

MS Sunny

Capital Gain

FVOC [Avg Rate on date of Trf] $\left[\frac{62 + 68}{2} \right] = 64$ ₹ 7812.5

$\left[\frac{500000}{64} \right]$

(-) Transfer expenses [Avg Rate on date of Trf] $\left[\frac{20000}{64} \right]$ (312.5)

Net consideration ₹ 7500

c-) COA [Avg Rate on date of Acquisition] $\left[\frac{50 + 52}{2} \right] = 51$ (147059)

$$\left[\frac{75000}{51} \right] = 147059$$

← LFCY in \$ 130000 \$6029.41
 → Convert into Indian ₹

by applying TTBR on date \$6029.41 × 63

$$= 379853$$

SUMMARY

PAGE NO.: 10



Set A Basic

- ★ 45(1) Charging section
- ★ 2(14) Capital Asset
- ★ 2(47) Transfer
- ★★★ 48 Computation of Capital Gain
- ★★ Types of Capital Asset

Set B Tax Year \neq Transfer year

- ★★★ 45(2) Conversion of Capital Asset into STI
- ★★★ 45(5) Compulsory acquisition of Capital Asset
- ★★★ 45(1A) Destruction of Capital Asset

Set C special cases

- ★★★ 1) SOC SDV \rightarrow FVOC
- ★★★ 2) S1/S6(2)(ix) Adv money forfeited
- ★★ 3) Exempt Transfer sec 47
- ★★ 4) Bonus / Right shares
- ★ 5) Intangible Assets
- ★★ 6) SOCA Unlisted shares FMV \rightarrow FVOC
- ★★★ 7) SOB Slump sale
- ★ 8) SOP Consideration Not Determinable
- ★ 9) SOAA Debt MF / MLD / Unlisted debentures / Bonds
- ★ 10) NR \rightarrow CG \rightarrow Sunny wala case

Q3
Pg 92

11/4/19 MRC AY 25-26 AY 26-27

FVOC		6800000
(→) Transfer exp		(500000)
Net consideration		6750000
(→) COA		
↑ (i) cost		106000
(ii) a) FMV on 11/4/19	850000	
↓ b) SDV on 11/4/19	810000	(810000)
(→) COI		
	PY [2-3]	(735000)
	PY [12-13]	(550000)
	LTCY	4655000

Q9
Pg 93

As per sec 45(A) if capital asset is destroyed due to fire and assessee received insurance claim then it is treated as transfer and capital gain is applicable so, in the present case.

Computation

FVOC		6000000
(→) COA (WDV)		(2088000)
	STCY	3912000

Q16
Pg 96

Mr A

PV 25-26 AY 26-27

FVOC	1500000
(-) Transfer expense	<u>(20000)</u>
Net consideration	1480000
(-) COA [cost to HUF]	(120000)
(-) COI [Mr A]	<u>(235000)</u>
LTCG	1125000

— EXEMPTIONS —

PAGE NO.: 13



sec 54 - Exemption for Residential House Property

a) Eligible Assessee :- Individual / HUF

b) Asset transferred :- Residential House Property

c) Capital gain on transferred Asset :- LTCG

d) Asset to be acquired :- 1 Residential House Property in India.

Note :- If LTCG is upto ₹ 2 crore then Assessee can acquire 2 residential House Property within prescribed limit. This benefit of 2HP is available only once in the lifetime.

e) Time limit :- New House Property should be purchased within 1 year before the date of transfer or purchase within 2 years after the date of transfer or construct it within 3 years after the date of transfer. (-1, +2, +3)

f) Capital gain account scheme (CGAS) :- Assessee should acquire House Property or deposit desired amount in CGAS account upto the due date of return filing. Deposited amount should be utilised for the purpose of HP within prescribed time limit. If the deposited amount is misutilised or unutilised then exemption claim earlier should be withdrawn.

g) Amount of exemption

	(i) Capital Gain		xx
↓	(ii) Cost of New Asset / deposited		xx
		Amount	xx
	whichever is lower	(CGAS)	

Note: If cost of New Asset is more than 10 crore then amt exceeding 10 cr shall not be taken into account for the purpose of exemption. It means maximum exemption can be 10 cr in this section.

Case	LTCG on transfer of old house	Cost of New House	Exemption
I	5 cr	7 cr	5 cr
II	15 cr	12 cr	10 cr
III	15 cr	7 cr	7 cr
IV	7 cr	10 cr	7 cr
V	15 cr	17 cr	10 cr

h) Lock-in - period: - New House Property should not be transferred within the period of 3 years from the date of acquisition. If it is transferred within the period of 3 yrs, the exemption claimed earlier shall be withdrawn and it shall be reduced from cost of acquisition of New HP.

COA = Cost of Acquisition - Exemption claimed earlier

Q21
Pg 97

Mr Ravi

PY 25-26 AY 26-27

computation of capital gain

Full value of consideration	2700000
(-) Transfer expenses	(15000)
Net consideration	2685000

(-) COA

(i) Cost	80000
(ii) FMV as on 1/4/11	200000
SDV as on 1/4/11	190000
	190000
Gross LTCG	2495000

(-) Exemption u/s 54

(i) Capital gain	2495000
(ii) Cost of New Asset	500000
	500000
	1995000

computation of capital gain

FVOC	9000000
(-) Transfer expense	100000
Net consideration	8900000

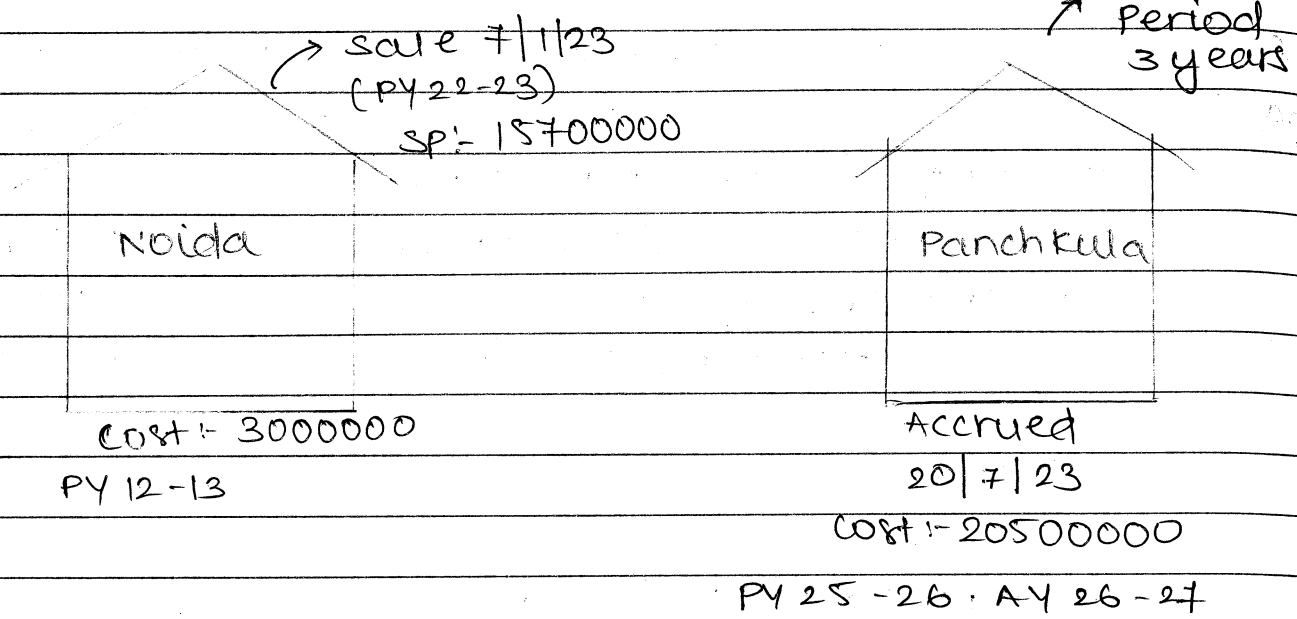
(-) COA

[Cost - Exemption claimed earlier] —

[500000 - 500000]

STCG 900000

Q 22
Pg 97



computation of capital gain on sale of Noida Property

[POH 9/9/12 to 6/1/23]

FVOC	15700000
(-) transfer exp	—
Net consideration	15700000
(-) ICOA	
3000000 × 331 [22-23]	(4965000)
200 [12-13]	10735000
less:- Exemption u/s 54 (Note 1)	
(i) capital gain	10735000
(ii) cost of New Asset	20500000
	10735000
	NIL

Note 1:- since Assessee acquired HP in Panchkula within the period of 2 years from date of transfer so he is eligible for exemption u/s 54.