

1. Calculation of Long Term Capital Gains

| | |
|---|-----------|
| Sales Value Consideration (5000×500) | 25,00,000 |
| (-) Cost of Acquisition (CA) | 22,50,000 |
| Long Term Capital Gains | 2,50,000 |

2. Calculation of Capital Gains

| | |
|--|-----------|
| Sales Value of House | 25,00,000 |
| (-) Cost of Acquisition ($10,50,000 \times \frac{317}{254}$) | 13,10,433 |
| Capital Gains for 2022-23 | 11,89,567 |

Total Taxable Income 14,39,567

Tax Liability

| | |
|---|----------|
| LTCG on equity shares ($2,50,000 - 1,00,000$) $\times 10\%$ | 15000 |
| LTCG on sale of house $11,89,567 \times 20\%$ | 2,37,913 |
| Add: CESS @ 4% | 10116 |
| Tax Payable | 263029 |

Working Note 1:

| | |
|--------------------------------------|-----------|
| (calculation of Cost of Acquisition) | |
| a) Cost of Acquisition | 21,25,000 |
| b-1) FMV ^{or} of shares | 22,50,000 |
| b-1) Sales Value of shares | 25,00,000 |

} Higher

} Lower

$$\text{COA} = 22,50,000$$