

Computation of tax payable by Mr. Rakulith Bhandary.

| Particulars                               | Amt (₹)   |        |
|---|-----------|--------|
| <u>Capital gains</u>                      |           |        |
| <u>LTCG from sale of share</u>            |           |        |
| Sale consideration (500 x 5000)           | 25,00,000 |        |
| Less : Cost of Acquisition (450 x 5000)   | 22,50,000 | Note 1 |
| Taxable long term Capital gain            | 2,50,000  |        |
| <u>LTCG on sale of immovable property</u> |           |        |
| Sale consideration                        | 25,00,000 |        |
| Less : Cost of acquisition                | 13,10,433 |        |
| [10,50,000 x $\frac{317}{254}$ ]          |           |        |
| Taxable long term Capital gain            | 11,89,567 |        |

Tax payable :

LTCG tax on shares at 10% above ₹ 1,00,000

$$[2,50,000 - 1,00,000] 10\% = \underline{\underline{15,000}}$$

LTCG on sale of immovable property @ 20 %.

$$[11,89,567 \times 20\%] = \underline{\underline{2,37,913}}$$

$$\text{tax payable} = 2,52,913$$

$$(+) 4\% \text{ Health \& Education Cess} = \underline{10,117}$$

$$\text{Total tax payable} \underline{\underline{2,63,030}}$$

Note 1 i

i) Cost of acquisition of shares will be higher of :  
 cost of acquisition, and, 425  
 lower of  
 Fair Market value and 450  
 Sale consideration 500

Hence, FMV will be considered for cost of acquisition