



Capital Gains Tax Rates

Financial Year 2021-22 Assessment Year 2022-23

Particulars	Capital Gains Tax Rates	
	Short-Term	Long-Term
Sale transaction of equity share/unit of an equity oriented fund/unit of business trust which are covered under STT	15%	10%*
Sale transaction other than above mentioned :		
Individuals (Resident / Non Resident)	Slab Rates	20% with indexation**
Firm including LLP (Resident / Non Resident)	30%	
Resident Companies	30%	
Other Foreign Companies	40%	
Local Authorities	30%	
Co-operative Society	Slab Rates	
Overseas financial organisations specified in section 115AB	40% (Corporate) 30% (Non Corporate)	10%
FIs	30%	10%
<p>* For A.Y.2019-20 onwards, if the amount of long term capital gain on listed equity shares (including LTCG on units of mutual funds & units of business trust) in a year exceeds ₹ 1 Lakh, the excess amount above ₹ 1 Lakh is taxable at the rate of 10% without allowing the benefit of indexation. The cost of acquisition of shares would be: Higher of: 1) Actual cost at which shares are bought & 2) Lower of following: a) Highest price of securities on 31/01/2018 b) Full value of consideration i.e. sale price.</p> <p>** In case of debt oriented fund, benefit of 10% without indexation is available.</p>		



Summary of Capital Gain Exemption

Financial Year 2021-22 Assessment Year 2022-23

Section	Exemption	Sale of	Purchase of	Time Period of Purchase	Quantum of Deduction	Consequences if new assets sold within 3 / 5 years
54	Individual or HUF	Residential House (Long Term Capital Asset 2 years or more)	New Residential House*	If Purchased One year before or 2 years after sale date or If Constructed, Within 3 years	Amt. Invested or LTCG which ever is less	STCG on sale of New Asset (While Calculating Cost, Capital Gain exempt earlier will be reduced from COA)
54F	Individual or HUF	Any Long Term Capital Asset except Residential house	New Residential House (Only 1 Residential House allowed and the same should be in india)	If Purchased One year before or 2 years after sale date or If Constructed, Within 3 years	Capital Gains X Amt. Invested/net Consideration received, Deduction can be maximum upto the amount of capital gains	STCG on Sale of New Asset + LTCG which was exempt earlier also taxable
54B	Individual or HUF	Agricultural Land used for 2 years immediately preceding the date of transfer for agriculture by assessee/parent (Both Long Term and Short Term Covered)	Purchase of New Agricultural Land (Urban or Rural)	Within 2 years	Amt. Invested or LTCG which ever is less	Rural Land, No STCG Urban Land, STCG on sale of New Asset (While Calculating Cost, Capital Gain exempt earlier will be reduced from COA)
54D	Any Industrial Undertaking (Any factory) Compulsory Acquired - Any assessee	Land, Building used for 2 years prior to its acquisition for business of industrial undertaking	New Land or Building for industrial purpose	Within 3 years from date of receipt of compensation	Amt. Invested or LTCG which ever is less	STCG on sale of New Asset (While Calculating Cost, Capital Gain exempt earlier will be reduced from COA)



Summary of Capital Gain Exemption

Financial Year 2021-22 Assessment Year 2022-23

Section	Exemption	Sale of	Purchase of	Time Period of Purchase	Quantum of Deduction	Consequences if new assets sold within 3 / 5 years
54G	Any Industrial Undertaking (Any factory) shifting from Urban Area to Non Urban Area - Any Assessee	Building or Plant Machinery land used for 2 years for business of Industrial undertaking	New Land or Building, plant or machinery	Within 1 year before or 3 years after	Amt. Invested or LTCG which ever is less, (Amount Invested is Cost of Asset + Cost of Shifting)	STCG on Sale of New Asset (While Calculating Cost, Capital Gain exempt earlier will be reduced from COA)
54GA	Any Industrial Undertaking (Any factory) Shifting from Urban Area to Special Economic Zone(SEZ) - Any Assessee	Building or Plant Machinery land used for 2 years for business of Industrial undertaking	New Land or Building, plant or machine	Within 1 year before or 3 years after	Amt. Invested or LTCG which ever is less. (Amount Invested is Cost of Asset + Cost of Shifting)	STCG on Sale of New Asset (While Calculating Cost, Capital Gain exempt earlier will be reduced from COA)
54EC	Any Assessee	Long Term Capital Asset being land or building or both	Specified Bonds of NHAI or RECL (Minimum Lock in period of investments in bonds 5 years)	Within 6 months from date of transfer of capital assets	Lower of (1) Amount Invested (2) 50 Lacs (3) Capital Gains(Now total 50 Lacs could be claimed as Maximum)	On Sale of Securities or loan taken on securities within 5 years, LTCG exempt earlier will be taxable.

* with effect from A.Y. 20-21, a capital gain exemption is available for purchase of Two Residential Houses in India. However, The exemption is subject to the capital gain not exceeding ₹ 2 crore. Also, The exemption is available only once in the lifetime of the seller.