



## SIMPLYFYING LTCG

Applicability to Equity Shares and Equity Oriented Mutual Funds

Part A		
Scenario	Amount	Tax Liability
Sold before 31st March 2018		Nil
Purchased before 31st January 2018 & Sold after 31st March 2018		1.5
Purchase Price	100	
Highest Price on 31st Jan, 2018	125	
Sale Price	140	
Total LTCG	40	
Exempt LTCG	25	
Taxable LTCG	15	
Purchased after 1st February 2018 (Held for 12 Months)		10%

**Note - Gains upto ₹1 Lakh every year exempted from LTCG**

### PWC's Gautam Mehra Explains the Applicability of LTCG Tax in Various Scenarios

Part B		
Scenario	Amount	Tax Liability
<b>Scenario 1</b>		LTCG: ₹50
Stock Bought on January 15, 2017	₹ 100	
Closing Price on January 31, 2018	₹ 200	
Price on April 01, 2018	₹ 250	
<b>Scenario 2</b>		LTCG: ₹50
Stock Bought on January 15, 2017	₹ 100	
Closing Price on January 31, 2018	₹ 50	
Price on April 01, 2018	₹ 150	
<b>Scenario 3</b>		LTCG: Nil
Stock Bought on January 15, 2017	₹ 200	
Closing Price on January 31, 2018	₹ 100	
Price on April 01, 2018	₹ 200	
<b>Scenario 4</b>		LTCG: Nil (Loss ₹50)
Stock Bought on January 15, 2017	₹ 100	
Closing Price on January 31, 2018	₹ 200	
Price on April 01, 2018	₹ 150	
<b>Scenario 5</b>		LTCG: Nil (Loss ₹150)
Stock Bought on January 15, 2017	₹ 200	
Closing Price on January 31, 2018	₹ 100	
Price on April 01, 2018	₹ 50	
<b>Scenario 6</b>		LTCG: Nil
Stock Bought on January 15, 2017	₹ 200	
Closing Price on January 31, 2018	₹ 200	
Price on April 01, 2018	₹ 150	

**Note \*The way the law is written in the last case. The sale consideration (₹150) is deemed to be the acquisition cost**