

Capital Bond vs Other Investment

Purpose

Often, investors ask whether they should pay tax on long term capital gains and invest the balance into other investment options, or they should invest in Capital Gains bond.

This calculator compares returns/tax/post tax return between Capital Gains Bonds and other financial instruments like fixed deposit, debt fund, equity funds, property, etc.

Decision making becomes very easy when an investor has all the data points in front of him in a single table.

Long Term Capital Gain Amount		₹
LTCG Tax Rate		%
Investment Period of CG Bond Scheme		Yr
Interest on CG Bond Scheme		%
Expected Average Yearly Indexation Rate		%
Applicable Income Tax Slab		%
Other Available Investment Options		
Fixed Deposit	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Debt Fund	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Equity Fund	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Enter any other user-defined investment: (Optional)	<input checked="" type="radio"/> Yes <input type="radio"/> No	
Product Name	As explained above in point no. 5.	
Assumed Return (%)	<input type="text"/>	%
Taxation Rate (%)	<input type="text"/>	%
Indexation Benefit	<input type="text" value="No"/>	

The gain the client has made / expected to make on transfer/sale of land/property.

Enter the prevalent applicable LTCG tax rate for the asset

Enter the time period of the capital gain bond

The expected/stated rate of return on the bond.

The govt. of India provides a Cost Inflation Index which helps in reducing the long term capital gains liability by increasing the cost of investment, generally related to inflation. Enter the rate accordingly. As an indicator, it could be in the range of 3-5% per year.

The income tax slab under which the investor falls.

Choose one or more options against which you want to compare the returns.

The expected rate of return on the investment

Applicable tax rate for the product and/or the income tax bracket of the client.