

Capital Gains Bond vs. Other Investment Planning For Mr Dummy

Computation of Maturity Amount and Post-Tax IRR

Particulars	54EC Bond	Fixed Deposit	Debt Fund	Equity Fund
Capital Gain Amount	50,00,000	50,00,000	50,00,000	50,00,000
LTCG Tax	0	10,00,000	10,00,000	10,00,000
Net Investment	50,00,000	40,00,000	40,00,000	40,00,000
Assumed Return	5.00 %	5.00 %	5.00 %	7.00 %
Investment Period (Yrs)	5	5	5	5
Indexation Benefit	No	No	Yes	No
Maturity Amount	63,81,408	51,05,126	51,05,126	56,10,207
Indexation Rate	5.00 %	5.00 %	5.00 %	5.00 %
Indexed Cost	50,00,000	40,00,000	51,05,126	40,00,000
Taxable Income	13,81,408	11,05,126	0	16,10,207
Applicable Tax Rate	30.00 %	30.00 %	30.00 %	10.00 %
Tax Amount	4,14,422	3,31,538	0	1,61,021
Post-Tax Maturity Amount	59,66,985	47,73,588	51,05,126	54,49,186
Post-Tax IRR	3.60 %	-0.92 %	0.42 %	1.74 %

* For ease of calculation, It is assumed that in case of 54EC Bond & Fixed Deposit or other interest paying investment, the annual interest is re-invested at the same rate of interest and income tax is paid at the end of investment term. Please note that there is a tax exemption of Rs.1.00 Lac per year on Long Term Capital Gains on Equity and Equity related products. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Returns are not guaranteed. The above is for illustration purpose only.