

Capital Gains Sequencing Template

A structured planning template to decide which Indian assets to sell, and when, during your RNOR window. Includes a pre-filled example scenario and blank worksheets.

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1. Why Capital Gains Sequencing Matters

Capital gains sequencing is the discipline of choosing which Indian assets to liquidate during your RNOR window to minimize total tax outflow. Get this wrong and you leave lakhs on the table.

2-3 FYs

The RNOR Window
Finite and non-renewable

₹50L-2Cr

Cost of Wrong Sequencing
In avoidable taxes

40-65%

Potential Tax Savings
With proper sequencing

How This Template Works

List your Indian assets in the inventory table. For each asset, calculate the holding period, classify as LTCG or STCG, estimate the tax, and determine the optimal sell window relative to your RNOR period. A pre-filled example with a ₹10 Cr portfolio is included to demonstrate the methodology.

2. Define Your RNOR Window

Enter your RNOR period below. This determines your tax-efficient selling window for all assets.

PARAMETER	YOUR DETAILS	EXAMPLE
RNOR Start Date (FY Start)	___ / ___ / ____	1 April 2026
RNOR End Date (FY End)	___ / ___ / ____	31 March 2029
RNOR Duration	___ years	3.0 years
Financial Years Covered	FY ___ to FY ___	FY 2026-27 to FY 2028-29

Planning Note

All high-gain asset sales should be planned within the RNOR window. Foreign-sourced income is exempt from Indian tax during this period. This window is finite and non-renewable — once it closes, standard NRI tax rates apply.

4. Pre-Filled Example — ₹10 Cr Portfolio

A sample scenario demonstrating how capital gains sequencing works across 4 asset types. RNOR window: FY 2026-27 to FY 2028-29.

ASSET NAME	TYPE	PURCHASE DATE	PURCHASE PRICE	MARKET VALUE	HOLDING	CLASS	EST. GAIN	TAX RATE	EST. TAX	SELL WINDOW
Jubilee Hills Villa	Residential Property	Jun 2016	₹1.80 Cr	₹4.50 Cr	9y 9mo	LTCG	₹2.70 Cr	12.5%	₹33.75 L	During RNOR; use Sec 54/54EC
Infosys Shares	Listed Equity	Mar 2020	₹35.00 L	₹72.00 L	6y 0mo	LTCG	₹37.00 L	12.5%	₹4.48 L	During RNOR (₹1.25L exempt)
Banjara Hills Office	Commercial Property	Jan 2018	₹1.20 Cr	₹2.20 Cr	8y 2mo	LTCG	₹1.00 Cr	12.5%	₹12.50 L	During RNOR; consider 54EC bonds
HDFC Flexi Cap Fund	Mutual Funds	Jul 2021	₹20.00 L	₹34.00 L	4y 8mo	LTCG	₹14.00 L	12.5%	₹1.59 L	During RNOR (₹1.25L exempt)

Example Portfolio Notes

Total portfolio value: ₹8.76 Cr across 4 assets. **Total estimated gains:** ₹4.21 Cr. All assets qualify as LTCG. The Jubilee Hills Villa carries the largest gain and should be sold first during the RNOR window, with Section 54 reinvestment to shelter ₹2.70 Cr of gains.

5. Summary Dashboard

Auto-calculated from the example portfolio above. Use the blank version below for your own assets.

Example Portfolio Summary

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Total Assets
Value: ₹8.76 Cr

₹4.21 Cr

Total Estimated Gains
Across all assets

₹52.32 L

Tax if Sold Outside RNOR
Without sequencing optimization

₹21.73 L

Tax if Sold During RNOR
With proper sequencing + exemptions

₹30.59 L Saved

Estimated Savings from Proper Sequencing — 58.5% tax reduction

Your Portfolio Summary — Blank

METRIC	YOUR VALUE
Total Assets	_____
Total Portfolio Value	₹ _____
Total Estimated Gains	₹ _____
Tax if Sold Outside RNOR	₹ _____
Tax if Sold During RNOR (with exemptions)	₹ _____
Estimated Tax Savings	₹ _____
Savings as % of Total Tax	_____ %

6. Optimal Selling Sequence

Based on asset inventory and RNOR window analysis, follow this recommended sequence to minimize tax outflow.

1 Sell Highest-Gain Assets During RNOR Window

Assets with the largest capital gains should be sold first during your RNOR period. Foreign-sourced gains are exempt, and timing Indian-sourced gains during RNOR can maximize available exemptions.

Example: Jubilee Hills Villa (₹2.70 Cr gain) → sell in FY 2026-27, reinvest in new property under Section 54 to fully exempt gain.

2 Use Section 54 Exemption for Real Estate

If selling residential property, reinvest the LTCG in a new residential property within 2 years of sale (or 3 years for construction). This can fully exempt your capital gains from tax.

Example: Reinvest ₹2.70 Cr from villa sale into Dubai property purchase — full LTCG exemption.

3 Stagger Sales Across Financial Years

Spreading asset sales across multiple FYs keeps total gains under surcharge thresholds. This can reduce effective tax rate by 2–5%.

Surcharge Thresholds:

- ₹50L → 10% surcharge
- ₹1 Cr → 15% surcharge
- ₹2 Cr → 25% surcharge

Example: Sell Banjara Hills Office in FY 2027-28, equities and MFs in FY 2028-29 — no single year exceeds ₹1 Cr in gains.

7 Deploy Section 54EC Bonds

Invest up to ₹50L of LTCG from real estate or land in NHAI/REC bonds within 6 months of sale. These bonds have a 5-year lock-in but provide full tax exemption on the invested amount.

Example: Invest ₹50L of Banjara Hills Office gain into NHAI bonds → saves ₹6.25L in tax.

8 Harvest Losses to Offset Gains

If any assets are in a loss position, sell them in the same FY as your high-gain sales. Short-term losses can offset both short-term and long-term gains. Long-term losses can only offset long-term gains.

Recommended Sequence for Example Portfolio

PRIORITY	ASSET	SELL IN	STRATEGY	TAX IMPACT
1	Jubilee Hills Villa	FY 2026-27	Section 54 reinvestment	₹0 (fully exempt)
2	Banjara Hills Office	FY 2027-28	54EC bonds (₹50L) + pay balance	₹6.25 L
3	Infosys Shares	FY 2028-29	Sell during RNOR, use ₹1.25L exemption	₹4.48 L
4	HDFC Flexi Cap Fund	FY 2028-29	Sell with equities, use ₹1.25L exemption	₹1.59 L
Total Tax After Sequencing				₹12.32 L

7. Key Rules & Exemptions Reference

Essential provisions that affect your capital gains sequencing strategy.

Section 54 — Residential Property Reinvestment

Exemption on LTCG from sale of a residential property, if the gains are reinvested in purchasing or constructing a new residential property. Purchase must be within 1 year before or 2 years after the sale; construction within 3 years.

Section 54EC — Capital Gains Bonds

Exemption on LTCG (up to ₹50 lakhs) from land or building (or both), if invested in specified bonds (NHAI or REC) within 6 months of the transfer. Bonds carry a 5-year lock-in period.

Section 54F — Non-Property Asset Reinvestment

Exemption on LTCG from any asset other than residential property, if the full net sale consideration (not just the gain) is invested in a new residential property. Proportionate exemption if partial investment.

Budget 2024 — Indexation Removal

For properties acquired after 1 April 2001, indexation benefit has been removed post-Budget 2024. The LTCG tax rate on real estate is reduced to 12.5% without indexation, replacing the earlier 20% with indexation regime.

Grandfathering Provision

For properties acquired before 23 July 2024, taxpayers may choose between 20% with indexation or 12.5% without indexation — whichever results in lower tax.

8. Tax Rate Quick Reference

ASSET TYPE	LONG-TERM THRESHOLD	LTCG RATE	STCG RATE	EXEMPTION
Residential Property	2 years	12.5%	30%	Sec 54 / 54EC
Commercial Property	2 years	12.5%	30%	Sec 54EC
Listed Equity	1 year	12.5%	20%	₹1.25L per FY
Unlisted Equity	2 years	12.5%	30%	—
Mutual Funds (Equity)	1 year	12.5%	20%	₹1.25L per FY
Gold / Bonds	2 years	12.5%	30%	—

Surcharge Reminder

Surcharge applies on total income: 10% above ₹50L, 15% above ₹1 Cr, 25% above ₹2 Cr. Stagger sales across FYs to stay below thresholds.

Disclaimer: This template is for planning purposes only and does not constitute financial, tax, or legal advice. Tax laws and regulations change frequently. The calculations shown are estimates based on prevailing rates as of March 2026 and do not account for surcharge, cess, indexation elections, or individual circumstances. Always consult a qualified Chartered Accountant or tax advisor before making asset sale decisions. Achutaverse LLC is a strategic advisory firm and does not provide audit or CA services directly.