



TT Alert

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Cost Inflation Index Notified for the FY 2023-24

- Central Board of Direct Taxes ('CBDT') vide Notification No. 21/2023 dated 10th April 2023 has notified the Cost Inflation Index ('CII') for the FY 2023-24 for calculating the Indexed Cost of acquisition and thereby to determine the Long-term Capital Gains.
- S. 48 of the Income tax Act, 1961 ('ITA') provides that the income chargeable under the head Capital gains is to be computed by deducting from the full value of consideration, the cost / indexed cost of acquisition of the asset.
- CII is used for calculating the indexed cost of acquisition on the sale of Long-term Capital asset (other than bonds and debentures). However, as per the recent amendment made by the Finance Act 2023, the indexation benefit shall not be available on the Market Linked Debentures and Units of Specified Mutual Fund which invests not more than 35% of its proceeds in equity shares of domestic companies.
- The purpose of CII is to adjust the historical Cost of acquisition of the Capital asset based on the inflation and ascertain the inflated current price of the Capital asset.

- The following table encompasses the CII from FY 2001- 02 as notified by the CBDT from time to time:

Financial Year	CII	Financial Year	CII
2001 - 2002	100	2013 - 2014	220
2002 - 2003	105	2014 - 2015	240
2003 - 2004	109	2015 - 2016	254
2004 - 2005	113	2016 - 2017	264
2005 - 2006	117	2017 - 2018	272
2006 - 2007	122	2018 - 2019	280
2007 - 2008	129	2019 - 2020	289
2008 - 2009	137	2020 - 2021	301
2009 - 2010	148	2021 - 2022	317
2010 - 2011	167	2022 - 2023	331
2011 - 2012	184	2023 - 2024	348
2012 - 2013	200		

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