



INCOME TAX ALERT

N. A. SHAH **BULLETIN**

June 2017

N. A. SHAH ASSOCIATES LLP
Chartered Accountants



CBDT Notification No. 44/2017 dated 5 June 2017

- i. Finance Act, 2017 has amended section 55 of the Income Tax Act, 1961 to provide that the cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1st April, 2001 and the cost of improvement shall include only those capital expenses which are incurred after 1 April 2001. Thus, the option to adopt fair value of property as against cost of acquisition is shifted from 1 April 1981 to 1 April 2001.
- ii. Consequential amendment is also made in Section 48 of the Act so as to align the provisions relating to cost inflation index to the revised base year.
- iii. Central Board of Direct Tax ('CBDT'), vide notification dated 5 June 2017, notified cost inflation index from financial year 2001-02 and onwards as under:

Sr. No.	Financial Year	Cost Inflation Index
1.	2001-02	100
2.	2002-03	105
3.	2003-04	109
4.	2004-05	113
5.	2005-06	117
6.	2006-07	122
7.	2007-08	129
8.	2008-09	137
9.	2009-10	148
10.	2010-11	167
11.	2011-12	184
12.	2012-13	200
13.	2013-14	220
14.	2014-15	240
15.	2015-16	254
16.	2016-17	264
17.	2017-18	272

- iv. The above notification shall have effect from 1st April 2018 and thus, shall be applicable from A.Y. 2018-19 and subsequent years.

The contents provided in this newsletter are for information purpose only and are intended, but not promised or guaranteed, to be correct, complete and up-to-date. The firm hereby disclaims any and all liability to any person for any loss or damage caused by errors or omissions, whether such errors or omissions result from negligence, accident or any other cause.

From:

N. A. Shah Associates LLP
Chartered Accountants

Address: B 41-45, Paragon Centre, Pandurang Budhkar Marg, Mumbai – 400013.

Tel: 91-022-4073 3000, Fax: 91-022-4073 3090

E-mail Id: info@nashah.com