**Capital Gain Exemption u/s 54, 54B, 54D, 54EC, 54F, 54G, 54GA Table.**
The following table is all about capital gain exemption, under what section you can avail it, Conditions to be satisfied, quantum of exemption. You can **calculate capital gaintax exemption** easily with the help of following table.

| Under Section | Allowed Assessee | Conditions to be satisfied | Quantum of exemption |
|---|---|---|---|
| 54 | Individual/HUF | 1. Transfer should be of a residentialhouse income of which is chargeable under the head 'Income from house property'.<br>2. It must be a long-term capital asset.<br>3. Purchase of another residential house should be within one year before or 2 years after, or construction should be within three years after the date of transfer. | Actual amount invested in new asset or the capital gain whichever is less. |
| 54B | Individual | 1. Transfer should be of agricultural land.<br>2. It must have been used in the 2 years immediately preceding the date of transfer for agricultural purposes either by the assessee or his parent.<br>3. Another agricultural land should be purchased within 2 years after the dateof transfer. | —do— |
| 54D | Any assessee which is an industrial undertaking | 1. There must be compulsory acquisition.<br>2. The property compulsorily acquired should be land and building forming part of an industrial undertaking.<br>3. The asset must have been used in the 2 years immediately preceding the date of transfer of the assessee for the purpose of the business of the undertaking.<br>4. Within a period of 3 years after the date of compulsory acquisition any other land or building should be purchased or constructed for the use of existing or newly set up industrial undertaking. | Actual amount invested in new asset or the capital gain whichever is less. |

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| 54EC | Any assessee | 1. The asset transferred should be a long-term capital asset<br>2. Within a period of 6 months after the date of transfer, the capital gain must he invested in the specified assets i.e. bonds redeemable after <u>3 years</u> issued by NHAl or RECL. | Actual amount invested in new asset or the capital gain whichever is less. However, maximum amount which can be invested in any financial year cannot exceed Rs. 50,00,000 |
| 54F | Individual/HUF | 1. The asset transferred should be a long-term capital asset, not being a residential house.<br>2. Within a period of I year before or 2 years after the date of transfer, a residential house should be purchased or constructed within a period of 3 years after the date of transfer.<br>3. The assessee should not own more than<br>one residential house on the date of transfer.<br>4. The assessee should not within a period<br>of one year purchase or should not within a period of 3 years construct any residential house other than the new asset. | If the cost of the new residential house is not<br>less than the net consideration then the<br>whole of the capital gain.<br>Otherwise,<br>Ami. invested<br>ITCG x—————— :——-<br>Net consideration price |
| 54G | Any assessee being an industrial undertaking | 1. Machinery, plant, building, or land used<br>for the business of an industrial undertaking situated in an urban area should have been transferred.<br>2. Transfer should be due to shifting to any<br>area other than an urban area. | If the cost of the new assets and expenses incurred for shifting are greater than the capital gain, the whole of such capital gain. Otherwise capital gain to the extent |
| | | 3. Within a period of 1 year before or 3 years after the date of transfer purchased machinery, plant or acquired building or land or constructed building and completed shifting to the new area. | of the cost of the new asset. |
| 54GA | Any assessee being an industrial | 1. Machinery, plant, building, or land used for the business of an industrial undertaking situated in an urban area | If the cost of the new assets and expenses incurred for shifting |

| | | | |
|---|---|---|---|
| | undertaking | should have been transferred.<br>2. Transfer should be due to shifting to any<br>Special Economic Zone whether developed in any urban area or any other area.<br>3. Within a period of 1 year before or 3 years after the date of transfer purchased machinery, plant or acquired building or land or constructed building and completed shifting to the new area. | are greater than the capital gain, the whole of such capital gain. Otherwise capital gain to the extent of the cost of the new asset. |

**Notes :** Capital Gain Scheme.—If the new asset is not acquired under sections 54, 54B, 54D, 54F, 54G and 54GA or the full amount could not be invested upto the **due date of furnishing the return of income**, the assessee can deposit the desired amount under the Capital Gain Scheme on or before the due date of return and thus can acquire the asset within the stipulated time out of money withdrawn from such scheme at a later date. In the case of section 54EC the Capital Gain Scheme is not applicable.
Consequences if the new asset acquired is transferred within 3 years of its acquisition Under sections 54, 54B, 54D, 5->G and 54GA.—For computation of new Capital Gain(which will be short-term), the cost of acquisition of such new asset shall be reduced by the amount of Capital Gain exempt under sections 54, 54B, 54D and 54G earlier.

**Under section 54F**.—Besides the new Capital Gain (which will be short-term), the Capital Gain exempt earlier under section 54F, shall be long-term capital gain of the previous year in which new asset is transferred.

**Under section 54EC.**—If such security acquired is converted into money or any loan is taken against such securities within 3 years, the Capital Gain exempt under section54EC for such securities earlier shall be long-term Capital Gain of the previous year in which such conversion takes place or the loan is taken.
Consequences if the amount deposited in Capital Gain Scheme is not utilised within the stipulated time of 3 years (2 years in case of section 54B).—The un utilised amount shall be Capital Gain (short-term or long-term depending upon original transfer) of the previous year in which such period has expired. However, in case of section 54F, proportionate amount shall be taxable.

**Cost Inflation Index for the purpose of computing Long Term Capital Gain**

| FINANCIAL YEAR | COST INFLATION INDEX | FINANCIAL YEAR | COST INFLATION INDEX |
|---|---|---|---|
| 1981-82 | 100 | 1982-83 | 109 |
| 1983-84 | 116 | 1984-85 | 125 |
| 1985-86 | 133 | 1986-87 | 140 |
| 1987-88 | 150 | 1988-89 | 161 |
| 1989-90 | 172 | 1990-91 | 182 |
| 1991-92 | 199 | 1992-93 | 223 |
| 1993-94 | 244 | 1994-95 | 259 |
| 1995-96 | 281 | 1996-97 | 305 |
| 1997-98 | 331 | 1998-99 | 351 |
| 1999-2000 | 389 | 2000-01 | 406 |
| 2001-02 | 426 | 2002-03 | 447 |
| 2003-04 | 463 | 2004-05 | 480 |
| 2005-06 | 497 | 2006-07 | 519 |
| 2007-08 | 551 | 2008-09 | 582 |