



54 EC CAPITAL GAIN BOND



54EC, Capital Gains Bonds are one of the best ways to save **Long-Term Capital Gain Tax**. These Bonds are specifically meant for investors earning long-term capital gains and would like tax exemption on these gains. Tax deduction is available under section 54EC of the Income Tax Act. Capital Gain Bonds do not allow any tax exemption on short-term capital gains tax. Invest in 54EC bonds to get benefits of tax deduction. The maximum limit for investing in 54EC bonds is Rs. 50,00,000 and offers 5.00% Interest which is payable annually. The Interest that is earned on these **bonds** is liable to Income **Tax**.

Tax benefits of investing in 54EC Capital Gain Bonds

Particulars	Capital Gain Bond	Fixed Deposit
Realized Capital Gain Amount from Property	100000	100000
Tax on Capital Gain	0	20000
Principal Amount	100000	80000
Interest Rate	5.00%	5.40%
Annual Interest	5000	4320
Interest in 5 years	25000	21600
Tax Paid @30%	1500	1296
Tax Paid 5 Yrs	7500	6480
Interest Income after deducting tax	17500	15120
Maturity Amount	100000	80000
Total Amount received during 5 yrs	117500	95120
Total tax Liability	7500	26480
Tax Saved through Capital Gain Bonds	18980	

Salient Features:

Type of Instrument	Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54 EC of Income Tax Act, 1961
Nature of Instrument	Secured
Eligible investors	Individuals/ Hindu Undivided Families (HUF)/ Partnership firm/ Insurance Companies/Companies and Body Corporate/ Provident Funds, Superannuation Funds and Gratuity Funds/Banks/ Mutual Funds/ Financial Institutions (FIs)/ Foreign Portfolio Investors (Subject to existing regulations)/Regional Rural Banks/ NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis/ Co-operative Banks/ Limited liability Partnership.
Rating	CRISIL AAA 'Stable', ICRA AAA, CARE AAA

Listing	The Bonds are not proposed to be listed on any stock exchange due to non-transferability during the tenure of Bonds.
Tenor	5 years from the deemed date of allotment
Coupon Rate	5.00 % p.a.
Coupon payment dates: -	IRFC: Every year on 15 th October till redemption REC : Interest is payable annually on 30 th June every year PFC : Interest is payable annually on July 31 st every year NHAI: Interest is payable annually on 1 st April every year
Coupon Payment frequency	Annual
Date of Redemption	At the end of 5 years from the Deemed Date of Allotment.
Face Value	Rs. 10,000 (Rupees Ten Thousand only) per bond
Transferability	Non-transferable, Non-Marketable, Non-negotiable and can not be offered as a security for any loan or advance
Issuance mode of instrument	In demat / physical mode
Depository	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)

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