



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 5.75% 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	20800
Principal Amount	100000	79200
Interest Rate	5.75%	7.00%
Annual Interest	5750	5544
Interest in 5 years	28750	27720
Tax Paid @ 31.20%	1794	1729.728
Tax Paid 5 Yrs	8970	8648.64
Interest Income after deducting tax	19780	19071.36
Maturity Amount	100000	79200
Total Amount received during 5 yrs	119780	98271.36
Total tax Liability	8970	29448.64
Tax Saved through Capital Gain Bonds	20478.64	

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	5.75% 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
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 cannot 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")

Get in touch with us:
ipo@rrfcl.com

Phone : 011-23354802, 09312940483

Web : www.rrfinance.com