54EC Capital Gains Bonds

Save tax on property/asset capital gains by parking up to ₹50 lakh for 5 years.

5.25% p.a. | Saves LTCG tax (Section 54EC)

In brief

Suits	Anyone with a long-term capital gain from land or a building who wants to save that tax.
You get	Exemption on the gain invested, plus 5.25% a year interest.
Your money	Locked for 5 years; invest within 6 months of the sale; up to ₹50 lakh.
Tax	The interest is taxable.
Watch for	The 6-month window is strict; plan before the sale is registered.

Key facts

Interest rate	5.25% p.a. (paid annually)
Purpose	Exempt long-term capital gains (mainly on property/land)
Lock-in	5 years, non-transferable, no loan against them
Maximum	₹50 lakh per person (across the year of sale + next)
Window	Invest within 6 months of the asset sale

What's new

Apr 2026 IRFC's 54EC bonds for 2026-27 pay 5.25% a year, redeemable after 5 years; REC and PFC also issue them.

> The full guide answers 9 questions on 54EC, from eligibility to tax and withdrawals: merasip.com/guides/54ec-bonds. To talk it through, WhatsApp 60039 03737.

Sources: IRFC 54EC Series X key information document.

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