Press Release

10.04.2025

New Delhi

HUDCO granted to issue Capital Gain Tax Exemption Bonds under Section 54EC of the Income Tax Act 1961

Housing and Urban Development Corporation Limited (HUDCO) has been notified to issue Capital Gain Tax Exemption Bonds under Section 54EC of the Income Tax Act 1961, w.e.f. 1st April, 2025 by the Central Board of Direct Taxes, Ministry of Finance, Government of India. With this announcement, HUDCO has now joined the select few PSUs offering this tax saving instrument to investors.

Capital gain arising from transfer of long-term capital asset, being land or building or both, shall be exempt, if the amount of such gain, subject to a maximum of Rs 50 lakh per investor, is invested in capital gain tax exemption bonds within 6 months from the date of transfer of such capital assets. These bonds, when issued, will be redeemable after five years, providing long-term investors with an option to save on long term capital gains tax.

This significant step is a reflection of the Government of India's commitment towards long-term and sustainable infrastructure development for Viksit Bharat @ 2047. This would enable deeper participation in capital markets for HUDCO by encouraging retail participation, supporting bankable projects, and enhancing diversification within its resource portfolio. These bonds would potentially open up a significant source of long-tenor fund at competitive rate for HUDCO's infrastructure funding objectives, giving wings to its motto of financing infrastructure beyond housing.