SUGAM REC App

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About SUGAM REC App

- It is exclusively for current and future investors **in REC’s 54EC Capital Gain Tax Exemption Bonds.**

- Investors will be able to **download their e-bond certificates**, **apply for fresh investment**, download important forms related to updating of KYC, and also connect with REC's Investor Cell via call / email / WhatsApp.

What are 54EC bonds?

- These are also known as **Capital gain bonds** are fixed income instruments which provide capital gains tax exemption under section 54EC to the investors.
- These bonds allow an assessee/investor to save income tax on long-term capital gain by investing the gains.
- The investment into these bonds **has to be made within 6 months** from the date of long-term capital gain.
- They have a fixed **lock-in period of 5 years** and can be either **held in Physical or Demat form.**
- They are issued by various institutions managed by the Government of India to finance specific capital projects.
- They are called 54EC bonds because the taxability benefits of these bonds are mentioned **under section 54EC of the Income Tax Act, 1961.**

Key facts about REC Limited

- It is a **'Maharatna' company** (under the administrative control of the **Ministry of Power, Government of India.**
- It is registered with RBI as a non-banking **finance company** (NBFC), Public Financial Institution (PFI) and Infrastructure Financing Company (IFC).
- It was **incorporated in 1969** in the **backdrop of severe drought and famine** in the country, to energise agricultural pump-sets for irrigation purposes, thereby reducing the dependency of agriculture on monsoons.
- It provides **long term loans and other financing products** to State, Centre and Private Companies for creation of infrastructure assets in the country.
- It has been associated as nodal agency for Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGAYA), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY) and National Electricity Fund (NEF) Scheme.

Q1: What is Capital gains tax?

Capital gains tax is a tax imposed on the profit realized from the sale of certain assets, known as capital assets, which includes investments such as stocks, real estate, bonds, and other assets. When you sell a capital asset for more than its original purchase price, the difference between the sale price (the capital gain) and the purchase price (the cost basis) is considered a capital gain.

Source: REC launches 'SUGAM REC', a mobile app for 54EC Bonds Investors