Benefit available in respect of re-investment of capital gain in any other capital asset

A taxpayer can claim exemption from certain capital gains by re-investing the capital gain into specified asset. The following table highlights the assets in respect of which the benefit of re-investment is available:

Section under which benefit is available	Gain eligible for claiming exemption	Asset in which the capital gain is to be re-invested to claim exemption	Conditions / Remarks
Section 54	Long-term capital gain arising on transfer of residential house property.	Gain to be re-invested in purchase or construction of one residential house property in India. Note: Interim Budget 2019 has allowed exemption upto 2 residential house, once in a lifetime	Purchase should be within 1 year before or 2 years after the date of transfer In case of construction, the same should be completed within 3 years after date of transfer
Section 54 B	Long-term or short-term capital gain arising on transfer of urban agricultural land.	Gain to be re-invested in purchase of agricultural land.	Purchase within 2 years after the date of transfer
Section 54 EC	Long-term capital gain arising on transfer of being land or building or both capital asset.	Gain to be re-invested in bonds issued by National Highway Authority of India, by the Rural Electrification Corporation Limited, Power Finance Corp. Ltd or Indian Railway Finance Corp. Ltd.	The investment should be made within a period of 6 months from the date of transfer of capital asset and bonds should not be redeemed before 5 years. Maximum amount which qualifies for investment will be Rs. 50,00,000

Section 54 EE	Long-term capital gain arising on transfer of any capital asset.	Gain to be re-invested in units of specified fund, as may be notified by Govt. to finance start-ups.	The investment should be made within a period of 6 months from the date of transfer of capital asset should not be redeemed before 3 years. Maximum amount which qualifies for investment will be Rs. 50,00,000
Section 54 F	Long-term capital gain arising on transfer of any capital asset other than residential house property.	Net sale consideration to be re-invested in purchase or construction of one residential house property in India.	Purchase within 1 year before or 2 years after the date of transfer and construction should complete within 3 years from date of transfer. On the date of transfer of LTCA, assessee should not own more than one residential house.
Section 54 D	Gain arising on transfer of land or building forming part of industrial undertaking which is compulsorily acquired by Government and was used for industrial purpose for a period of 2 years prior to its acquisition.	Gain to be re-invested to acquire land or building for industrial purpose.	Within 3 years from date of receipt of compensation
Section 54 G	Gain arising on transfer of land, building, plant or machinery in order to shift an industrial undertaking from urban area to rural area	Gain to be re-invested to acquire land, building, plant or machinery in order to shift the industrial undertaking from an urban area to a rural area. * shifting expense are also allowed	Within 1 year before or 3 years after the date of transfer
Section 54 GA	Gain arising on transfer of land, building, plant or machinery in order to shift an	Gain to be re-invested to acquire land, building, plant or machinery in order to	Within 1 year before or 3 years after the date of transfer

	industrial undertaking from urban area to any Special Economic Zone	shift the industrial undertaking from urban area to any Special Economic Zone. * shifting expense are also allowed	
Section 54 GB	Long-term capital gain arising on transfer of residential property (a house or a plot of land). The transfer should take place during 1st April, 2012 and 31st March 2017. However, in case of investment in "eligible start-up", sunset limit of 31st march 2017 is extended to 31st march 2019.	The net sale consideration should be utilised for subscription in equity shares of an "eligible company". W.e.f. April 1, 2017, eligible start-up is also included in definition of eligible company	Shares should be subscribed upto due date of return filing