

CBDT extends tax relief for SWFs, pension funds till March 2025

The Central Board of Direct Taxes (CBDT) has extended the tax relief for sovereign wealth funds (SWFs) and pension funds by a year to March 31, 2025 against the previous expiry of March 31, 2024. With the changes, the funds can now enjoy exemption from tax on dividend income, interest income or long-term capital gains tax arising from investments made in India. Though the announcement was first made in the interim budget earlier this year, the tax authority notified the changes on July 18. "While it's a move that will be welcomed by the infrastructure sector and infra funds, given the long haul of these projects and India's long-term inspirations, the extension should have been considered for a longer duration as the investment needs are most likely to be met in one year," said Sunil Gidwani, Partner-Financial Sector, Nangia Andersen LLP.

KHUSHBOO TIWARI