

**INFORMATION FOR INVESTORS IN Floating Rate Savings Bonds, 2020 (Taxable)**

Government of India had introduced **Floating Rate Savings Bonds, 2020 (Taxable)** vide their [notification No. F.No.4\(10\)-B\(W&M\)/2020 dated June 26, 2020](#). The main features of the Scheme are as under:

Item	Floating Rate Savings Bonds, 2020 (Taxable)	Remarks
1) Category of Investor	Resident Individual, HUF.	Non-Resident Indians (NRI)s are not eligible to invest in these bonds.
2) Limit of investment	Minimum ₹1000/- and in multiples of ₹ 1000/-.	No maximum limit.
3) Date of Issue of bonds	Date of receipt of subscription in cash (up to ₹ 20,000/- only), or date of realization of cheque /draft/ funds.	-----
4) Forms of Bonds	Electronic form held in the Bond Ledger Account.	Bond Ledger Account will be opened by the Receiving Office in the name of investor/s.
5) Interest	(i) Interest is payable semi-annually from the date of issue of bonds, up to 30th June / 31st December as the case may be, and thereafter half-yearly for period ending 30th June and 31st December on 1st July and 1st January respectively. (ii) The coupon rate payable for next half-year would be reset on 1st January 2021 and thereafter, every 1st July and 1st January.	Half-yearly interest is payable on 1 <sup>st</sup> January / 1 <sup>st</sup> July. The coupon on 1st January 2021 shall be paid at 7.15%.
6) Post Maturity Interest	Post Maturity Interest is not payable.	-----
7) Bank account	It is mandatory for the investor/s to provide bank account details to facilitate payment of interest /maturity value directly to his/her/their bank account.	-----
8) Tax benefits	Income from the bonds is taxable.	Tax will be deducted at source while interest is paid. If an exemption under the relevant provisions of the Income Tax Act, 1961 is obtained, it may be declared in the Application Form.
9) Nomination Facility	The sole Holder or all the joint holders may nominate one or more persons as nominee in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulation, 2007, published in Part III, Section 4 of the Gazette of India dated December 1, 2007.	-----
10) Maturity period	7 years from the date of issuance.	
11) Premature redemption	Facility is available to the eligible investors after Lock in period of 4, 5, and 6 years in the age bracket of 80 years and above, between 70 to 80 years and 60 to 70 years respectively.	Penalty charges @ 50% of last coupon payment.
12) Transferability	The bonds are not transferable.	Transferability is limited to nominee(s)/legal heir in case of death of holder.
13) Tradability / Advances	The bonds are not tradable in the secondary market and also not eligible as collateral for availing loans.	-----
14) Application forms	Available at designated branches of SBI, 11 Nationalised Banks and 4 Private Sector Banks.	-----

## **DUTIES OF INVESTOR/ APPLICANTS**

- A) Please complete the application in all respects.
- B) Incomplete applications are liable to result in delay of issue of the bonds (at the cost of the applicant).
- C) In case the application is submitted by a Power of Attorney (POA) holder, please submit original POA for verification, along with an attested copy for record.
- D) In case the application is on behalf of a minor, please submit the original birth certificate from the School or Municipal Authorities for verification, together with an attested copy for record.
- E) Please note that nomination facility is available to a Sole Holder or all the joint holders (investors) of the bonds.
- F) In case nominee is a minor, please indicate the date of birth of the minor and a guardian can be appointed.
- G) Nomination facility is not available in case the investment is in the name of a minor.
- H) Please notify the change of address to Receiving Office immediately.
- I) POST MATURITY INTEREST IS NOT PAYABLE ON THESE BONDS. The interest and redemption proceeds will be credited on the due date as per bank details registered with us.
- J) Indicate your date of birth / age.
- K) Provide your correct bank account details for receiving payment through electronic mode. In case of closure/transfer of the bank account, the fresh details may be immediately intimated to the Receiving Office to avoid any inconvenience.
- L) Any information regarding tax applicability may be provided to the bank/branch.

## **RIGHTS OF THE INVESTOR**

- a) The Certificate of Holding will be issued in electronic form within 7 working days from the date of tender of application.
- b) The interest on the bond accrues from the date of receipt of funds/realization of cheque/draft and will be credited to the bank account of the holder directly, as per the details provided by him/her in the application form.
- c) The interest will be paid semi-annually and credited to the investors account every 01 January and 01 July with last installment on date of redemption.
- d) Maturity intimation advice will be issued one month before the due date of the bond.
- e) Application forms for investments, redemption, nomination etc., in respect of Savings Bonds shall be available on the websites of Receiving Offices.
- f) A sole holder or all the joint holders may nominate one or more nominees to the rights of the bonds. Non-resident Indians can also be nominated.
- g) The investor(s) can make separate nomination for each investment held under the BLA.
- h) The nomination will be registered at the Office of Issue and an acknowledgement of Registration will be issued to the holder.
- i) The nomination can be varied by registering a fresh nomination.
- j) The existing nomination can be cancelled by a request to the Office of Issue.
- k) The redemption is due on expiry of seven years from the date of investment, unless applied for premature redemption as applicable.
- l) Premature redemption facility is allowed with certain conditions.
- m) Investors are entitled for compensation for delayed payments at the applicable coupon rate.

In case the issuing bank does not comply with the above, you may lodge a complaint in writing in the form provided at the counter of the bank and address the same to the nearest office of Reserve Bank of India, as under:

THE REGIONAL DIRECTOR,  
RESERVE BANK OF INDIA,  
CONSUMER EDUCATION AND PROTECTION DEPARTMENT/ BANKING OMBUDSMAN  
(LOCATION)

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You may also address your complaint to:

THE CHIEF GENERAL MANAGER  
INTERNAL DEBT MANAGEMENT DEPARTMENT  
RESERVE BANK OF INDIA, 23<sup>rd</sup> Floor  
CENTRAL OFFICE, Shahid Bhagat Singh Marg,  
MUMBAI-400 001  
MAHARASHTRA  
E- mail ID – [cgmidsmd@rbi.org.in](mailto:cgmidsmd@rbi.org.in)

Disclaimer: I have read and understood the details of information for the investors as well as rights and duties of investors. The agent/bank has explained the features of the scheme to me.

Signature/s of the applicant/s