

8 % Savings (Taxable) Bonds, 2003

The salient features of the Bond are detailed below:

2. Eligibility for Investment:

The Bonds may be held by –

- (i) an individual, not being a Non-Resident Indian -
 - (a) in his or her individual capacity, or
 - (b) in individual capacity on joint basis, or
 - (c) in individual capacity on anyone or survivor basis, or
 - (d) on behalf of a minor as father/mother/legal guardian
- (ii) a Hindu Undivided Family.
- (iii)(a) 'Charitable Institution' to mean a Company registered under Section 25 of the Indian Companies Act 1956 **or**
 - (b) an institution which has obtained a Certificate of Registration as a charitable institution in accordance with a law in force; or
 - (c) any institution which has obtained a certificate from Income Tax Authority for the purposes of Section 80G of the Income Tax Act, 1961.
- (iv) "University" means a university established or incorporated by a Central, State or Provincial Act, and includes an institution declared under section 3 of the University Grants Commission Act, 1956 (3 of 1956), to be a university for the purposes of that Act.

3. Limit of Investment :

There will be **no maximum limit** for investment in the Bonds.

4. Tax Treatment:

- (i) Income-tax: Interest on the Bonds will be taxable under the Income-Tax Act, 1961 as applicable according to the relevant tax status of the bond holder.
- (ii) Wealth tax: The Bonds will be exempt from Wealth-tax under the Wealth- tax Act, 1957.

5. Issue Price

- (i) The Bonds will be issued at par i.e. at Rs.100.00 percent.
- (ii) The Bonds will be issued for a minimum amount of Rs. 1000/- (face value) and in multiples thereof. Accordingly, the issue price will be Rs.1000/- for every Rs.1,000/- (Nominal).

6. Subscription

Subscription to the Bonds will be in the form of Cash/Drafts/Cheques. Cheques or drafts should be drawn in favour of the Receiving Office, specified in paragraph 10 below and payable at the place where the applications are tendered.

7. Date of Issue

(i) The Bonds are being issued with effect from **21st April 2003** and will remain on tap till further notice.

(ii) The date of issue of the Bonds in the form of Bond Ledger Account will be the date of receipt of subscription in cash or the date of realisation of draft/cheque.

8. Form

i) The Bonds will be issued and held at the credit of the holder in an account called **Bond Ledger Account (BLA)**.

9. Applications :

(i) Applications for the Bonds may be obtained from our Branch stating clearly the amount and the full name and address of the applicant.

(ii) Applications should be accompanied by the necessary payment in the form of cash/drafts/cheques as indicated in paragraph 6 above.

(iii) Applicants who have obtained exemption from tax under the relevant provisions of the Income Tax Act, 1961, shall make a declaration to that effect in the application and submit a true copy of the certificate obtained from Income-Tax Authorities.

10. Receiving Offices

Applications for the Bonds in the form of Bond Ledger Account will be received at our nearest authorised branch

11. Nomination:

A sole holder or a sole surviving holder of a Bond, being an individual, may nominate, one or more persons who shall be entitled to the Bond and the payment thereon in the event of his/her death.

12. Transferability:

The Bond in the form of Bond Ledger Account shall **not** be transferable.

13. Interest:

(i) The bond will be issued in cumulative and non-cumulative form, at the option of the investor.

(ii) The Bond will bear interest at the rate of 8% per annum. Interest on non-cumulative bonds will be payable at half-yearly intervals from the date of issue in terms of paragraph 7 above. Interest on cumulative bonds will be compounded with half-yearly rests and will be payable on maturity along with the principal.

Interest to the holders opting for non-cumulative Bonds will be paid from date of issue in terms of paragraph 7 above upto 31st July/31st January, as the case may be and thereafter at half-yearly for period ending 31st July/31st January on 1st August and 1st February. Interest on Bond in the form of "Bond Ledger Account" can be paid **by credit to bank account of the holder as per the option exercised by the investor/holder.**

14. Advances/Tradeability against Bonds

The Bonds shall **not** be tradeable in the secondary market and shall **not** be eligible as collateral for loans from banks, financial Institutions and Non Banking Financial Companies, (NBFC) etc.

15. Repayment

i) The Bonds shall be repayable on the **expiry of 6 (Six) years** from the date of issue. **No interest would accrue after the maturity of the Bond.**

15. Premature payment of RBI's 8% Saving Bonds

Premature encashment of 8% Savings (Taxable) Bonds, 2003 is permitted to **individual investors in the age group of sixty years and above after a minimum lock in period of three years to 5 years from the date of issue, as prescribed vide our cir No GBD/113/2013 dated 31st August, 2013.**