



Floating Rate Savings Bonds, 2020 (Taxable)

The Government of India decided to issue Floating Rate Savings Bonds (Taxable) 2020 with effect from July 01, 2020 to enable Resident citizens/HUF to invest in a taxable bond, without any monetary ceiling. This Floating Rate Savings Bond 2020 has replaced 7.75% Savings Bond 2018.

Instrument	Floating Rate Savings Bonds, 2020
Who can Invest?	Resident Individuals (including Joint Holdings) and Hindu Undivided Families (HUF). Only NRIs are not eligible to invest
Issue Price	At par – i.e. Rs 1,000 for every Rs 1,000 (nominal) face value
Minimum Amount	Rs 1,000 (Face value) in multiples thereof
Maximum Amount	No maximum limit
Subscription	In Cash (upto Rs 20,000 only)/ drafts/ cheques or any electronic mode acceptable to the Receiving OfficeX
Maturity/ Repayment of Principal	7 years (lock-in-period) from the date of issue. Premature encashment at interest payment date shall be allowed to individuals who are 60 years and above subject to minimum lock-in-period*
Floating Interest Rate & Reset	National Savings Certificate (NSC) rate (Base rate) + 35bps. The coupon/interest of the bond would be reset half yearly - every 1st Jan and 1st July
Interest/Coupon Rate	8.05% (7.70% + 0.35%) for period July 1, 2023 to December 30, 2023 and payable on January 1, 2024
Interest Rate Option and Frequency	Only Non-cumulative option with Half-yearly interest payouts (1st Jan & 1st July). No option to pay interest on cumulative basis
Interest Rate Calculation	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 on every 01st Jan & 1st July
Tax treatment	Interest on these bonds will be taxable under the Income-tax Act, 1961
TDS on interest	At the time of making payment to investors; provided individual(s) have made a declaration in the application pertaining to exemption under relevant provisions in Income Tax Act
Transferability /Tradability	Not Transferable (except transfer to a nominee(s)/legal heir in case of death of the holder of the bonds), Not Tradeable in the secondary market
Eligibility for Collateral	Not eligible as collateral for loans from Bank, Non-banking financial companies (NBFCs) or financial institutions
Nomination Facility	Available (Form C)
Form of Holding	The Bonds will be issued only in the electronic form and held at the credit of the holder in an account called Bond Ledger Account (BLA), opened with the Receiving Office. A Certificate of Holding will be issued in electronic form within 7 days from date of application
Risk	100% risk free investment option
Cheque Favoring	HDFC BANK- Floating Rate Saving Bonds,2020 (Taxable)
Cheque Favoring	Stock Holding Corporation of India Limited

Download forms on partners.nuvamawealth.com

*Premature encashment for senior citizens allowed subject to penalty charges equivalent to 50% of last coupon/interest payment:

Age bracket: 60 – 70 years; lock-in-period of 6 years from the date of issue

Age bracket: 70 – 80 years; lock-in-period of 5 years from the date of issue

Age bracket: 80 years & above; lock-in-period of 4 years from the date of issue