

## SALIENT FEATUIRES ON FLOATING RATE SAVINGS BONDS (TAXABLE) 2020

Feature	FSRB (T) 2020	Remarks
<b>Who can invest</b>	i) Resident Indian as an individual or Joint capacity , ii)Hindu Undivided Family	
<b>Limit of investment</b>	i) Minimum Rs 1000/- and in multiple of Rs 1000/- there after ii) No maximum limit	<i>Maximum Rs 20000/- can be deposited through cash mode</i>
<b>Nomination</b>	Account holder (single or joint capacity) can nominate one or more person*	<i>NRI also can be nominated</i>
<b>Interest (Floating)</b>	i) Interest on the bond payable semi – annually from the date of issue of bond up to 30 <sup>th</sup> Jun / 31 <sup>st</sup> Dec as the case may be, and thereafter half yearly for period ending 30 <sup>th</sup> Jun and 31 <sup>st</sup> Dec on 1 <sup>st</sup> Jul and 1 <sup>st</sup> Jan respectively. ii) Interest rate payable on 1 <sup>st</sup> Jan 2021 has been fixed at 7.15%. iii) The interest will be reset every six months. iv) )Interest rate linked/pegged with prevailing National Savings Certificate (NSC) rate with a spread of (+) 35 bps over the respective NSC rate.	<i>If interest payment date falls on Sunday or other holiday, the payment shall be made on next working day.</i>  <i>Interest for broken period /last half year shall be paid along with principal.</i>
<b>Tax matter</b>	Unless an exemption under the relevant provisions of Income Tax Act. 1961 obtained is declared by applicant in the application form, Tax shall be deducted at source while interest is paid.	
<b>Transferability</b>	Not transferable. Note: Transferability limited to nominee/legal heir in case of	

	death of account holder only.	
<b>Advance/Tradability</b>	The bonds shall not be tradable in secondary market and shall not be eligible as collateral for availing loans.	
<b>Repayment</b>	The bond is repayable after expiration of 7 years from date of issuance.	
<b>Premature Encashment</b>	Eligible, 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.	<i>50% interest due and payable for last 6 months of the holding period will be recovered in this case.</i>
<b>Key point</b>	i) High interest rate with highest level of safety (implicit sovereign guarantee). ii) Regular income at half early interval.	
<b>Authorized Branch</b>	Refer list of authorized Branches	
<b>Nodal Office</b>	Basavanagudi, Bengaluru. Contact: 080 2662 5298/1832	
<b>Note</b>	For more details log in @ <a href="http://www.rbi.org.in">www.rbi.org.in</a>	