ALMONDZ BULLETIN

RBI Floating Rate Savings Bonds 2020 (Taxable)

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RBI - Floating Rate Savings Bonds: A floating rate savings bond is a debt instrument issued by the Reserve Bank of India. Interest rate or the coupon rate in a Floating rate instrument is not fixed and will fluctuate from time to time. Interest rate on floating rate savings bonds is reset every six months (January 01 & July 01) and is always set at a spread of 35 bps over the prevailing NSC (National Saving Certificate) rate.

ISSUE HIGHLIGHTS

Type of Bond	RBI Floating Rate Savings Bonds 2020 (Taxable)
Investment Period	7 years from from the date of issue.
Current Coupon (% p.a.)	**8.05%** p.a., i.e. based on National Savings Certificate (NSC) rate (Base rate) + 35bps (7.70% + 0.35%) for period 1st July – 31st Dec 2023.
Interest payable & reset criteria	The coupon/interest of the bond will be reset half yearly based on NSC rate (Base rate) + 35bps. Half-yearly interest is payable on 1st January / 1st July.
Issue Opens on	01.07.2020
Safety	GoI bonds are issued by RBI. They are sovereign in nature & absolutely safe,100% risk free investment.
Minimum Investment	Rs. 1000/-
Maximum Investment Rs.	No maximum limit on investment.
TDS /Taxation	Interest Taxable, Income Tax Act 1961. The bonds will be exempt from Wealth-Tax under the Wealth-Tax Act, 1957.
Form of the Bonds:	Application to be done in physical mode. Bonds will be issued in electronic form, held in the Bond Ledger Account (BLA). BLA will be opened by the Receiving Office in the name of investor/s.
Transferability	The Bonds are non-transferable, non-negotiable and cannot be Offered as a security for any loan or advance. Transferability is limited to nominee(s)/legal heir in case of death of holder.
Maturity / Redemption AMT (Rs. Per bond)	Amount will be credited to your Bank A/c directly. No Need to surrender Bond Certificate.
Cheque to be drawn in the name of	**HDFC BANK- Floating Rate Savings Bonds 2020 (Taxable)**
Interest payment Mode	Interest payment will be made by NEFT / RTGS etc.
Need to open new/ separate bank a/c or demat	New or separate bank account is not required for RBI Floating Rate Savings Bonds 2020; Any Bank cheque can be use for investments. Demat A/C not require for investments.
Premature redemption / withdrawal facility for Senior Citizens:	Yes, allowed subject to penalty charges equivalent to 50% of last coupon/interest payment: for investor in the age bracket of 60 to 70 years after 6 years, for investor in the age group of 70-80 after 5 years and for investor in the age exceeding 80 years would be 4 years from the date of issue.
Who are eligible to invest in RBI Floating Rate Savings Bond 2020?	An Individual, (not being a Non-Resident Indian) In his or her individual capacity or In individual capacity on joint basis or In individual capacity on anyone or survivor basis or On behalf of a minor as father/mother/legal guardian A Hindu Undivided Family
Who does NOT eligible to invest in RBI Floating Rate Savings Bond 2020?	**Following are not eligible to invest in Bonds:** Non-Resident Individual (NRI) / Banks / Sole Proprietorship / Partnership Firms / LLP / Companies including group companies / Family trusts / Charitable and Religious Trusts, / Association of Persons, / Co- operative Societies ,etc.

Application forms available on
https://almondzfinancial.com/bond/floating-rate-savings-bonds-2020-taxable