

Government of India
Ministry of Finance
Department of Economic Affairs

New Delhi, dated August 19, 2008

NOTIFICATION

7% Savings Bonds, 2002

No. F 4(13)-W&M/2002: The Government of India hereby notifies that with effect from the date of this Notification, the following modifications shall be effected in Notification No. F. 4 (13)-W& M/2002 dated 5th September 2002 (Notification).

1. For the existing paragraph number 12 of the Notification the following paragraph shall be substituted, namely,

“The Bonds in the form of Bond Ledger Account and Stock Certificate shall not be transferable except as provided herein or by way of gift to a relative as defined in Section 6 of the Indian Companies Act, 1956, by execution of appropriate Transfer Form as given in Annexure 6A or 6B (as may be applicable) and execution of an affidavit by the holder. A list of relatives is given in Annexure 7.”

2. For the existing, paragraph number 14 of the Notification the following paragraph shall be substituted, namely,

“The Bonds shall not be tradable in the secondary market. However, the Bonds shall be eligible as collateral for loans from scheduled banks, and the holders of the said Bonds shall be entitled to create pledge or hypothecation or lien in favour of scheduled banks in accordance with Section 28 of the Government Securities Act, 2006 and Regulations 21 and 22 of Government Securities Regulations, 2007.”

By Order of the President of India

(L. M. Vas)
Additional Secretary to the Government of India