

RBI/2004 /374
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February 22, 2005

The Chairman & Managing Director
State Bank of India and Associate Banks
17 Nationalised Banks
ICICI Bank Ltd., HDFC Bank Ltd.,
UTI Bank Ltd., IDBI Bank Ltd.
Stock Holding Corporation of India Ltd.

Dear Sir

Investments in 8 % Savings (Taxable) Bonds, 2003 - deviations from stipulations of GOI Notifications regarding eligibility criteria

Of late, certain instances have come to our notice that some agencies operating the 8 % Savings (Taxable) Bonds, 2003 have deviated from the stipulations regarding the eligibility criteria for investors as laid down in the Government of India Notifications No. F .4 (10) - W&M / 2003 dated March 21, 2003 and August 10, 2004 and the related Reserve Bank of India guidelines.

2. You are, therefore, advised to take necessary measures and ensure that the stipulated eligibility criteria are strictly adhered to and that there are no deviations in this regard. Please note that if any deviation from the laid down procedure is observed, Reserve Bank of India will be constrained to take penal action against the concerned bank / Corporation.

Yours faithfully,

(Prabal Sen)
Chief General Manager-in-Charge