

**Government of India
Ministry of Finance
Department of Economic Affairs**

Notification

New Delhi, dated the December 19, 2013

Inflation Indexed National Savings Securities - Cumulative, 2013

No.F 4(16)-W&M/2012: The Government of India, hereby notifies the issue of Inflation Indexed National Savings Securities–Cumulative, 2013 (“the Bonds”) from December 23, 2013 to December 31, 2013. The Government of India reserves the right to close the issue earlier than December 31, 2013. The terms and condition of the issue of the Bonds shall be as follows:

2. Eligibility for Investment:

The Bonds may be held by -

- (i) an individual not being a Non-Resident Indian-
 - (a) in his or her individual capacity, or
 - (b) in individual capacity on joint basis, or
 - (c) in individual capacity on anyone or survivor basis, or
 - (d) on behalf of a minor as father/mother/legal guardian.
- (ii) a Hindu Undivided Family.
- (iii) (a) 'Charitable Institution' to mean a Company registered under Section 25 of the Indian Companies Act 1956; or

(b) An institution which has obtained a Certificate of Registration as a charitable institution in accordance with a law in force; or

(c) Any institution which has obtained a certificate from an Income Tax Authority for the purposes of Section 80G of the Income Tax Act, 1961.
- (iv) "University" means a university established or incorporated by a Central, State or Provincial Act, and includes an institution declared under section 3 of the University Grants Commission Act, 1956 (3 of 1956), to be a university for the purposes of that Act.

3. Limit of Investment

Minimum limit for investment in the bonds is ₹. 5,000 and maximum limit for investment is ₹. 500,000 per applicant per annum.

4. Tax Treatment

Income-tax: Interest on the Bonds will be taxable under the Income-tax Act, 1961 as applicable according to the relevant tax status of the Bonds holder.

5. **Issue Price**

- (i) The Bonds will be issued at par, i.e. at 100.00 per cent.
- (ii) The Bonds will be issued for a minimum amount of ₹.5000/- (face value) and in multiples thereof. Accordingly, the issue price will be ₹. 5000/- for every ₹. 5,000/- (Nominal).

6. **Subscription**

Subscription to the Bonds will be in the form of Cash/Drafts/Cheques/ online through Internet banking. Cheques or drafts should be drawn in favour of the bank (Receiving Office), specified in paragraph 10 below and payable at the place where the applications are tendered.

7. **Date of Issue**

The date of issue of the Bonds in the form of Bonds Ledger Account will be opened (issued) from the date of receipt of funds/ realisation of draft/ cheque

8. **Form**

The Bonds will be issued only in the form of Bonds Ledger Account and may be held at the credit of the holder in an account called **Bonds Ledger Account (BLA)**.

The Bonds in the form of Bonds Ledger Account will be issued and held with Reserve Bank of India. A certificate of holding as specified in form I will be issued to the holder of Bonds in Bonds Ledger Account.

9. **Applications**

- (i) Applications for the Bonds may be made in the application format attached or in any other form as near as thereto stating clearly the amount and the full name and address of the applicant.
- (ii) Applications should be accompanied by the necessary payment in the form of cash/drafts/cheques/online through internet banking as indicated in paragraph 6 above.

10. **Receiving Offices**

Applications for the Bonds in the form of Bonds Ledger Account will be received at:

- (a) Branches of State Bank of India, Associate Banks, Nationalised Banks, three private sector banks (viz. HDFC Bank Ltd., ICICI Bank Ltd. and Axis Bank Ltd.) and Stock Holding Corporation of India Ltd. (SHCIL) during their working hours.
- (b) Any other bank or number of branches of the banks and SHCIL where the applications will be received as specified by the Reserve Bank of India in this behalf from time to time.

11. **Nomination**

- (i) A sole holder or a sole surviving holder of a Bond(s), being an individual, may nominate in the form annexed to this notification or as near thereto as may be, one or more persons who shall be entitled to the Bonds and the payment thereon in the event of his/her death.
- (ii) Where any amount is payable to two or more nominees and either or any of them dies before such payment becomes due, the title to the Bonds shall vest in the surviving nominee or nominees and the amount being due thereon shall be paid accordingly. In the event of the nominee or nominees predeceasing the holder, the holder may make a fresh nomination.
- (iii) No nomination shall be made in respect of the Bonds issued in the name of a minor.
- (iv) A nomination made by a holder of Bonds may be varied by a fresh nomination as near thereto as may be, or may be cancelled by giving notice in writing to the Receiving Office in Form annexed to the notification.
- (v) Every nomination and every cancellation or variation shall be registered at the Reserve Bank of India through the authorised bank and shall be effective from the date of such registration.
- (vi) If the nominee is a minor, the holder of Bonds may appoint any person to receive the Bonds/amount due in the event of his/her death during the minority of the nominee.

12. **Transferability**

The Bonds in the form of Bonds Ledger Account shall be transferable to nominee(s) on death of holder (only individuals).

13. **Interest**

The Bonds will bear interest at the rate of 1.5% (fixed rate) per annum + inflation rate calculated with respect to final combined Consumer Price Index [(CPI) Base: 2010=100]. Final combined CPI will be used with a lag of three months to calculate incremental inflation rate (i.e. final combined CPI for September would be used as reference CPI for all days of December). Interest will be compounded with half-yearly rests and will be payable on maturity along with the principal.

14. **Advances/Tradability against Bonds**

The Bonds shall **not** be tradable in the secondary market. The Bonds shall be eligible as collateral for loans from banks, Financial Institutions and Non-Banking Financial Company (NBFC). The lien to that effect will be marked in the depository (RBI) by the authorized banks.

15. **Repayment**

The Bonds shall be repayable on the expiration of 10 (ten) years from the date of issue. The investor will be advised by the authorized bank one month before maturity regarding the ensuing maturity of the bond advising them to provide a

Letter of Acquaintance, confirming the NEFT/ NECS account details, etc to the authorized bank. If everything is in order the investor will be paid within maximum five days of the maturity.

Early repayment/redemption before the maturity date is allowed after one year of holding from date of issue for senior citizens i.e. 65 years and above of age, and for all others after 3 years of holding, subject to the penalty charges at the rate of 50% of the last coupon payable. Early redemption to be allowed only on coupon dates.

16. **Handling Charges**

Handling charges at the rate of Re 1.00 (Rupee one only) per Rs.100 will be paid to the authorized banks on the subscription amount received by them from investors.

By Order of the President of India

sd/-

**(Dr. Rajat Bhargava)
Joint Secretary (Budget)**

Form I

GOVERNMENT OF INDIA

Certificate of Holding

Inflation Indexed National Saving Securities-Cumulative (IINSS-C)

Certified that (Name of Subscriber) (Investor ID) is the holder of **Inflation Indexed National Saving Securities-Cumulative (IINSS-C)** as per details given below.

Certificate ID.	Amount	No. of Units	Issue date	Maturity date	Investing Bank IFSC	Investment ID	Nominee
1							
2							

Repayment Account details:

Account no:

IFSC:

Account name:

This is issued subject to the terms and conditions laid down in the Govt of India Notification No dated

Computer generated - does not require a signature.

Email Address																				
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Status: Resident Individual HUF
 On behalf of minor Charitable Institution
 Power of Attorney holder University

Amount of Investment: ₹..... (Rupees only)

Mode of Holding: Single Joint Anyone or Survivor

Mode of subscription: Cash Cheque/DD

Cheque/DD No..... dated/...../..... drawn on (Bank/branch)
(DD/MM/YYYY)

..... for (Amount)
₹..... (Rupees.....only)

***Bank details of 1st Applicant:** (Please provide the following details for Interest/Redemption payment)

Particulars of the Bank account: Bank name..... Branch.....

Account Number																				
Nine digit MICR Code number of the Bank & Branch																				
IFSC Code																				

***Bank details of 2nd Applicant:** (Please provide the following details for Interest/Redemption payment)

Particulars of the Bank account: Bank name..... Branch.....

Account Number																				
Nine digit MICR Code number of the Bank & Branch																				
IFSC Code																				

***Bank details of 3rd Applicant:** (Please provide the following details for Interest/Redemption payment)

Particulars of the Bank account: Bank name..... Branch.....

Account Number																				
Nine digit MICR Code number of the Bank & Branch																				
IFSC Code																				

***Income Tax PAN details^{2@@}:**

	PAN	I.T. Circle/Ward/ District
1 st Applicant		
2 nd Applicant		
3 rd Applicant		

Signature/Thumb Impression
(1st Applicant)

Signature/Thumb Impression
(2nd Applicant)

Signature/Thumb Impression
(3rd Applicant)

(Thumb impression to be attested by two witnesses)

Witnesses:

Name of 1st Witness.....

Name of 2nd Witness.....

Address.....

Address.....

.....

.....

Signature.....

Signature.....

² @@PAN is mandatory for investment of ₹ 50,000/- and above, except as provided under IT Rule 114B and C, where the investor may make declaration in Form No. 60 (IT Rule 114B) and/or Form 61 (IT Rule 114C) as applicable.

DECLARATION CUM UNDERTAKING TO BE FURNISHED BY THE INVESTORS OF INFLATION INDEXED NATIONAL SAVINGS SECURITY-CUMULATIVE (IINSS-C)

I/We, as first investor, hereby declare and undertake that my/our aggregate investment in Inflation Indexed National Savings Security-Cumulative:

- 1) As an **individual**
 - a) in my individual capacity
 - b) in individual capacity on joint basis
 - c) in individual capacity on any one or survivor basis
 - d) on behalf of a minor as Father/mother/Legal Guardian
- 2) As a Hindu Undivided Family (HUF)
- 3) As a **Charitable Institution or University**

Does not exceed ₹ 5,00,000/- (Rupees five lakh only) during the 12-month period commencing from April 01, to March 31,

I/We also declare and undertake that I/We shall adhere to the limit on investments as provided for by the Central government from time to time, which is ₹ 5,00,000/- (Rupees five lakh only) during the 12-month period commencing from April 01, to March 31,

In case, at any time, the said declaration is found untrue/false, no interest shall be payable to me/us, the subscriber(s) on the amount of investments found in excess of the prescribed limit.

Date:

Place:

Signature or thumb impression
of the Subscriber

(Thumb impression to be attested by two witnesses)

Witnesses:

Name of 1st Witness.....

Name of 2nd Witness.....

Address.....

Address.....

.....

.....

Signature.....

Signature.....

H.U.F. declaration form
(Mandatory, if applicant is Karta of HUF)

I,, residing at the address given against First Applicant, do solemnly affirm that I am the Karta of the Hindu Undivided Family and as such have full powers to sell, endorse, transfer or otherwise deal in the Inflation Indexed National Savings Security-Cumulative (IINSS-C) standing in the name of the HUF.

Specimen signature for and on behalf of the HUF (name of the HUF)

(Signature of the Karta with seal of HUF)

Place:

Date:

Nomination facility (optional)

I, residing at.....
, and holder of Bond Number
 nominate the following person/s who shall on my death have the right to the bond / receive
 payment of the amount for the time being due on the bond(s) specified below :

Particulars of Nominee /s							
Sr. No.	Date of issue	Amount (₹)	Date of repayment	Full name with expanded initials and address of nominee	Date of birth	Relationship to holder	Particulars of bank account

If nominee is minor, please fill in the line below:

As.....the sole nominee above is a minor on this date, I appoint Mr/Mrs/ Ms
 to receive the amount for the time being due on the above bond(s) in the
 event of my death during the minority of the said nominee.....(name of the nominee
 who is a minor).

Change/cancellation of nomination: This nomination is in substitution of the nomination dated/...../.....
 made by me and registered on your books at..... which shall stand
 cancelled on registration of this nomination.

Place:

Date:

Signature / Thumb impression of the 1st Applicant
 (Thumb impression to be attested by two witnesses)

Witnesses:

Name of 1st Witness.....

Name of 2nd Witness.....

Address.....

Address.....

.....

.....

Signature.....

Signature.....

**INFORMATION FOR INVESTORS IN
INFLATION INDEXED NATIONAL SAVINGS SECURITY-CUMULATIVE (IINSS-C)**

Government of India has introduced Inflation Indexed National Savings Security-Cumulative (IINSS-C) vide their Notification F.No. 4(16) W&M/2012 dated December 19, 2013. The main features of the Scheme are as under:-

Item	Inflation Indexed National Savings Security-Cumulative	Remarks
1) Category of Investor	Individual, HUF, University, Charitable Institution.	Non resident Indians are not eligible to invest in these bonds
2) Limit of investment	Minimum ₹5,000/- and Maximum investment ₹5,00,000/- per investor per annum	
3) Date of Issue of bonds	Date of receipt of funds/realization of cheque/draft	
4) Forms of Bonds	Demat	Bond Ledger Account (BLA)
5) Interest Option	Cumulative i.e. interest is payable at the time of maturity	Half-yearly interest compounding
6) Post Maturity Interest	Post Maturity Interest is not payable	
7) Bank account	It is mandatory for the investors to provide bank account details to facilitate payment of interest /maturity value	
8) Nomination Facility	The sole Holder or all the joint holders may nominate one or more persons as nominee	Including NRIs
9) Maturity period	After 10 years	
10) Premature redemption	After one year from date of issue for senior citizens i.e 65 years and above of age, and for all others after three years.	Penalty charges @ 50% of last coupon payment. Allowed only on coupon dates.
11) Transferability	Limited to nominee(s) on death of holder (only for individuals).	
12) Loans from banks against the security of these Savings bonds	The holders of the said securities shall be entitled to create pledge, hypothecation or lien in favour of scheduled bank, FIs, NBFCs.	
13) Application forms	Branches of SBI and Associate banks, 20 Nationalised banks, 3 Private Sector banks viz. HDFC Bank Ltd., ICICI Bank Ltd. and Axis Bank Ltd., and Stock Holding Corporation of India Ltd.	

DUTIES OF INVESTOR/ APPLICANTS

- a) Please fill up the application in all respects.
- b) Incomplete applications are liable to result in delay of issue of the securities (at the cost of the investor).
- c) In case the application is submitted by a Power of Attorney (POA) holder, please submit original POA for verification, along with an attested copy.
- d) In case the application is on behalf of a minor, please submit the original birth certificate from the School or Municipal Authorities for verification, together with an attested copy.
- e) Please note that nomination facility is available to a Sole Holder or all the joint holders (investors) of an IINSS-C Bond.
- f) In case nominee is a minor, please indicate the date of birth of the minor and a guardian can be appointed.
- g) Nomination facility **is not available** in case the investment is **on behalf of minor**.
- h) Please notify the change of address immediately.
- i) POST MATURITY INTEREST IS NOT PAYABLE AFTER DATE OF MATURITY. HENCE PLEASE OBTAIN REDEMPTION PROCEEDS ON THE DUE DATE.
- j) Indicate your date of birth/age.
- k) Provide your bank account details for receiving payment through Electronic mode
- l) Any information regarding tax applicability may be provided to the bank/branch.

RIGHTS OF THE INVESTOR

- a) The Bond (Certificate of Holding) will be issued on the day receipt of funds/realization of cheque/draft.
- b) The interest on the bond compounds half-yearly. The redemption proceeds (principal and interest) will be credited to the bank account of the holder directly, as per the details provided by him/her in the application form.
- c) Maturity intimation advice will be issued one month before the due date of the bond.
- d) Facility for payment of interest and principal by 'demand draft free of cost or at par cheques' for is available.
- e) The facility of intra-bank branch and inter bank branch transfer of the bonds is available.
- f) Application forms for investments, redemption, NECS/NEFT Mandate, etc. in respect of IINSS-C Bonds are available on the website at www.....com (Banks and SHCIL website).
- g) A sole holder or all the joint holders may nominate one or more nominees to the rights of the bonds. Non-resident Indians can also be nominated
- h) The nomination will be registered at the Office of Issue and a Certificate of Registration will be issued to the holder.
- i) The nomination can be varied by registering a fresh nomination.
- j) The existing nomination can be cancelled by a request to the Office of Issue.
- k) The redemption is due on expiry of ten years from the date of investment, unless applied for premature redemption as applicable.
- l) The investor is entitled to receive repayment amount within five clear working days from the date of tender of acquaintance.
- m) To avoid delay in receipt of interest/redemption proceeds applicants may indicate his choice, for availing of half yearly interest/redemption proceeds through NECS/NEFT/ RTGS or direct credit to the bank account.
- n) Investors are entitled for compensation for delayed payments at the rate decided by RBI (in respect of Relief and Savings bonds) vide their circulars issued from time to time.

In case the bank does not comply with the above, you may lodge a complaint in writing in to the nearest office of Reserve Bank of India as under:

**THE REGIONAL DIRECTOR,
RESERVE BANK OF INDIA,
CUSTOMER SERVICE DEPARTMENT/
BANKING OMBUDSMAN
(LOCATION)**

YOU MAY ALSO ADDRESS YOUR COMPLAINT TO:

**THE CHIEF GENERAL MANAGER IN-CHARGE
DEPARTMENT OF GOVERNMENT AND BANK ACCOUNTS
CENTRAL OFFICE
BYCULLA, OPP. BOMBAY CENTRAL RAILWAY STATION
MUMBAI -400 008, MAHARASHTRA**

Disclaimer:- I have read and understood the details of information for the investors as well as rights and duties of investors. The agent/bank has explained the features of the scheme to me.

Signature of the applicant

----- TEAR AWAY HERE -----

Acknowledgement of Application Form

Application No.

Bank branch.....

Date/...../.....

Received from Mr/Mrs/Ms..... Cash/online through Internet banking/Draft/Pay Order/Cheque No. dated/...../..... drawn on (Bank and branch) for ₹..... (Rupees..... only) for the purchase of Inflation Indexed National Savings Security for a period of 10 years, interest payable on cumulative basis of the nominal value of ₹..... (Rupees only).

Date, Bank Stamp & Signature of the authorized official of the bank.
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