



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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7.75% Savings (Taxable) Bonds, 2018

Government of India has announced to launch [7.75% Savings \(Taxable\) Bonds, 2018](#) commencing from 10th January 2018 to enable resident citizens/HUF to invest in a **taxable bond**, without any **monetary ceiling**. The main features of the Bonds are:

(i) Who can invest:	The Bonds are open to investment by individuals (including Joint Holdings) and Hindu Undivided Families. NRIs are not eligible for making investments in these Bonds.
(ii) Subscription:	Applications for the Bonds in the form of Bond Ledger Account will be received in the designated branches of agency banks and SHCIL in all numbering about 1600.
(iii) Issue Price:	The Bonds will be issued at par i.e. at ₹ 100.00 per cent.
	The Bonds will be issued for a minimum amount of ₹ 1000/- (face value) and in multiples thereof. Accordingly, the issue price, will be ₹ 1000/- for every ₹ 1,000/- (Nominal).
	The Bonds will be issued in demat form (Bond Ledger Account) only.
(iv) Period:	The Bonds will be on tap till further notice and issued in cumulative and non-cumulative forms.
(v) Limit of investment:	There will be no maximum limit for investment in the Bonds.
(vi) 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 bond holder.
	Wealth tax: The Bonds will be exempt from Wealth-tax under the Wealth- tax Act, 1957.

(vii) Maturity and rate of interest:	The Bonds will have a maturity of 7 years carrying interest at 7.75% per annum payable half- yearly. The cumulative value of ₹ 1000 at the end of seven years will be ₹ 1703/- .
(viii) Transferability:	The Bonds are not transferable. The Bonds are not tradeable in the Secondary market and are not eligible as collateral for loans from banking institutions, non-banking financial companies or financial institutions.
(ix) Nomination:	A sole holder or a sole surviving holder of a Bond, being an individual, can make a nomination

Full details of the scheme are available in the [Government Notification dated 3rd January 2018](#).

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