



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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### Floating Rate Savings Bonds, 2020 (Taxable) – FRSB 2020 (T)

Government of India has announced to launch [Floating Rate Savings Bonds, 2020 \(Taxable\)](#) scheme commencing from July 01, 2020 to enable person resident in India/HUF to invest in a taxable bond, without any monetary ceiling. The broad features of the scheme are given below:

Item	Details
1. Eligibility for Investment	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.
2. Receiving Offices	Applications for the Bonds in the form of Bond Ledger Account will be received in the designated branches of SBI, Nationalised banks, IDBI Bank Ltd, Axis Bank Ltd, HDFC Bank Ltd and ICICI Bank Ltd.
3. Subscription	Subscription to the bonds will be in the form of cash (upto ₹20,000/- only)/drafts/cheques or any electronic mode acceptable to the Receiving Office.
4. Period	The Bonds will be on tap till further notice and issued in non-cumulative form only.
5. Limit of investment	There will be no maximum limit for investment in the Bonds.
6. Form of the Bonds	The Bonds will be issued only in the electronic form and held at the credit of the holder in an account called Bond Ledger Account (BLA), opened with the Receiving Office.
7. Interest Rate (Floating)	The interest on the bonds is payable semi-annually on 1st Jan and 1st July every year. The coupon on 1st January 2021 shall be paid at 7.15%. The Interest rate for next half-year will be reset every six months, the first reset being on January 01, 2021. There is no option

	to pay interest on cumulative basis.
8. Repayment/Tenor	The Bonds shall be repayable on the expiration of 7 (Seven) years from the date of issue. Premature redemption shall be allowed for specified categories of senior citizens.
9. Tax treatment	Interest on the Bonds will be taxable under the Income-tax Act, 1961 as amended from time to time and as applicable according to the relevant tax status of the Bond holder.
10. Transferability	The Bonds in the form of Bond Ledger Account shall not be transferable except transfer to a nominee(s)/legal heir in case of death of the holder of the bonds.
11. Tradability /Advances	The Bonds shall not be tradable in the secondary market and shall not be eligible as collateral for loans from banks, Financial Institutions and Non-Banking Financial Company (NBFC) etc.
12. 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 F.No.4\(10\)-B\(W&M\)/2020 dated June 26, 2020](#).

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