



## FLOATING RATE SAVINGS BONDS 2020 (TAXABLE)

Reserve Bank of India vide their circular RBI/2019-20/261 IDMD.CDD.No.3145/13.01.299/2019-20 dated 26.06.2020 has communicated the guidelines issued by Government of India launching Floating Rate Savings Bonds 2020(Taxable) scheme, with effect from July 01,2020 vide GOI Notification F.No.4(10)-B(W&M)/2020 dated 26.06.2020.

The salient features of the Bond are detailed below:

**Eligibility for Investment:** The Bonds may be held by -

- (i) a person resident in India,
  - (a) in her or his individual capacity, or
  - (b) in individual capacity on joint basis, or
  - (c) in individual capacity on any one or survivor basis, or
  - (d) on behalf of a minor as father/mother/legal guardian
- (ii) a Hindu Undivided Family (HUF)

**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.

**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.

**Receiving Offices :** Any number of branches of State Bank of India, Nationalised Banks and four private sector banks, as specified in the Annexure 3 of the GoI Notification F.No.4(10)-B(W&M)/2020.

**Nomination:** Nomination and its cancellation shall be in accordance with the provisions of the Government Securities Act, 2006 (38 of 2006) and the Government Securities Regulation, 2007, published in Part III, Section 4 of the Gazette of India dated December 1, 2007.

**Transferability:** The Bonds held to the credit of Bond Ledger Account (BLA) of an investor shall not be transferable, except transfer to a nominee(s)/legal heir in case of death of the holder of the bonds.

### **Interest (Floating):**

(i) **Option** – The interest on the bonds will be payable at half yearly intervals on Jan 1st and July 1st every year. There is no option to pay interest on cumulative basis.

(ii) **Rate** – The coupon/interest of the bond would be reset half yearly starting with Jan 1st, 2021 and thereafter every July 1st and Jan 1st. The coupon rate for first coupon period, payable on January 1, 2021 is fixed at 7.15%.

(iii) **Base Rate** – The coupon rate will be linked/pegged with prevailing National Saving Certificate (NSC) rate with a spread of (+) 35 bps over the respective NSC rate.

**Brokerage:** Brokerage at the rate of 0.5% of the amount mobilized will be paid to the Receiving Offices, and they shall share at least 50% of the brokerage so received with brokers/sub brokers registered with them, on the applications tendered by them and bearing their stamp, on behalf of their clients.

The list of branches authorized to handle RBI Floating Rate Bonds is annexed here for information.

**LIST OF AUTHORISED BRANCHES:**

Sl.	Branch	CBS Code	Address	Phone
1	Trichy Main	180	128, Big Bazaar Street TRICHY, TEPPAKULAM - 620008	0431 2700292
2	Adyar	79	91 First Main Road, Gandhi Nagar Adyar, Chennai 600020	044 24412510
3	Himayat Nagar	25	3-6-150,Himayatnagar HIMAYATNAGAR 500029	040 23225823
4	Kilpauk	80	103 New Avadi Road Kilpauk, CHENNAI 600010	044 26461045
5	Kodambakkam	81	No 4/12, Third cross street Trustpuram, Kodambakkam Chennai 600024	044 24843531
6	Mumbai Fort	12	United India Bldg., Sir P M Road Fort MUMBAI 400001	022 22664029
7	Mylapore	86	No.21, North Mada Street Mylapore, Chennai 600004	044 24641420
8	Nariman Point	867	210, Mittal Tower, "B" WING, Ground Floor, Nariman Point, MUMBAI 400021	022 22840603
9	New Delhi Main	7	G 41, Connaught Circus Connaught Place, New Delhi 110001	011 47340975
10	T Nagar	100	No 7, Prakasam Road Panagal Park, T Nagar, CHENNAI 600017	044 28157756
11	Bangalore City	60	P B No 9025, 10, Kempegowda Road GANDHI NAGAR BENGALURU 560009	080 22257382

**Other branches can process the applications through these Authorized Branches.**