



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
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.
Interest Rate (Floating)	The interest on the bonds is payable semiannually on 1st Jan and 1st July every year. The coupon on 1st July 2023 shall be paid at 8.05%. The Interest rate for next half-year will be reset every six months, There is no option to pay interest on cumulative basis.
Interest rate Methodology	The interest rate of the bond, would be re-set half yearly starting with Jan 1st, 2021 and thereafter every July 1st and will be linked with the prevailing National Saving Certificate (NSC) rate with a spread of (+) 35 bps over the respective NSC rate. Accordingly, the coupon rate payable on Jul 01, 2023 is arrived at 8.05% (7.70 % + 0.35%). All subsequent coupon reset would be based on the fixation of rate of interest on NSC on Jan 01 and July 01 following the above methodology.
Limit of investment	Minimum Rs. 1000/- and in multiples of Rs. 1000/- thereafter, Maximum - No limit
Repayment/Tenor of the Bonds	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.
Mode of Issuance	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.
Mode of Subscription- Cheque	Cheque Should be in the Favour of "HDFC BANK- Floating Rate Saving Bonds, 2020 (Taxable)"
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.
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.
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.
Nomination	A sole holder or a sole surviving holder of a Bond, being an individual, can make a nomination. Nomination of one or more persons is allowed.
List of Documents	Individual- Duly filled all the pages in application form by the Investor Self-attested PAN card copy of the investor. Cancelled cheque leaf of the bank which was mentioned in application for interest and maturity payments. Minors - Duly filled in all the pages of application form by the Guardian. Self-attested PAN card copy of the minor / Guardian. Cancelled cheque leaf Birth Certificate of the minor attested by the Guardian. Original Birth certificate to be verified by the bank and certified as "Original Seen and Verified". In case of POA, Original POA to be verified by the bank and certified as "Original Seen and Verified". Hindu Undivided Family (HUF) - Duly filled in all the pages of application form by the Karta with stamp and signature Self attested PAN card copy of the HUF Cancelled cheque leaf List of coparceners in the Hindu Undivided Family along with their signatures attested by Karta. <i>No correction / alteration allowed in the application and the corrections if any to be duly authenticated by the Individual/Guardian/Karta with stamp. Respectively.</i>

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