

## Press Communique

### **7.75% Savings (Taxable) Bonds, 2018**

Government of India has announced to launch of 7.75% Savings (Taxable) Bonds, 2018 commencing from 10<sup>th</sup> 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. **NRI's 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  
  
The Bonds will be issued for a minimum amount of ₹1,000/- (face value) and in multiples thereof. Accordingly, the issue price, will be ₹1,000/- 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 ₹ 1,000/- at the end of seven years will be **₹ 1,703/-**

- (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 Gazette Notification dated 3rd January 2018

Ministry of Finance  
Department of Economic Affairs  
Budget Division  
North Block, New Delhi.  
Dated 3<sup>rd</sup> January, 2018