



BROADEN YOUR INVESTMENT HORIZON

8% GOVT. of INDIA, SAVINGS BONDS, TAXABLE, 2003(RBI)

Eligibility for Investment:

The Bonds may be held by -

- an individual, not being a Non-Resident Indian
- a Hindu Undivided Family.
- 'Charitable Institution' to mean a Company registered under Section 25 of the Indian Companies Act 1956 or an institution which has obtained a Certificate of Registration as a charitable institution in accordance with a law in force; or any institution which has obtained a certificate from Income Tax Authority for the purposes of Section 80G of the Income Tax Act, 1961.
- 'University' means a university established or incorporated by a Central, State or Provincial Act, and includes an institution declared under section 3 of the University Grants Commission Act, 1956 (3 of 1956), to be a university for the purposes of that Act.

Limit of Investment:

- Minimum Rs1000/- and in multiples of Rs1000/- There will be no maximum limit for investment in the Bonds.

Options:

- Non-Cumulative/ Cumulative

Maturity Period:

- After 6 years

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.

Form



- The Bonds will be issued and held at the credit of the holder in an account called Bond Ledger Account (BLA).
- New Bond Ledger series with the prefix (TB) are to be opened. All investment in 8% Savings (Taxable) Bonds by an existing BLA holder will be viewed as a new investment under a new BLA.
- The Bonds in the form of Bond Ledger Account will be issued by and held with designated branches of the agency banks and SHCIL as authorized by Reserve Bank of India in terms of paragraph 10 below.
- The Certificate of Holding in respect of Bond Ledger Account will be issued in Form TBX or Form TBY as applicable for non-cumulative and cumulative investments respectively.
- The Certificate of Holding in respect of cash applications may be issued on the same day as per the extant instructions.

Nomination:

- Available to sole holder or a sole surviving holder of a Bond. NRI can also be nominated.

Transferability:

- The Bond in the form of Bond Ledger Account shall not be transferable.

Interest:

- The bond will be issued in cumulative and non-cumulative form, at the option of the investor.
- The Bond will bear interest at the rate of 8% per annum. Interest on non-cumulative bonds will be payable at half-yearly intervals from the date of issue. Interest on cumulative bonds will be compounded with half-yearly rests and will be payable on maturity along with the principal. In the latter case, the maturity value of the Bonds shall be Rs.1601/- (being principal and interest) for every Rs.1,000/-(Nominal). Interest to the holders opting for non-cumulative Bonds will be paid from date of issue in terms upto 31st July/31st January, as the case may be and thereafter at half-yearly for period ending 31st July/31st January on 1st August and 1st February.
- Interest on Bond in the form of "Bond Ledger Account" will be paid, by cheque/warrant or through ECS by credit to bank account of the holder as per the option exercised by the investor/holder.

Repayment

- The Bonds shall be repayable on the expiry of 6 (Six) years from the date of issue. No interest would accrue after the maturity of the Bond.



Loan against these Savings Bonds:

- The Bonds cannot be pledged as security for availing of loans from banks.

CAPITAL GAIN BONDS
(Under Sec-54EC)

Introduction

- Under Section 54 EC of Income Tax, 1961 an investor need not pay any tax on any long-term capital gains arising on sale of any asset, if the amounts of capital gains are invested in certain specified bonds.
- Rural Electrification Corporation Limited (REC) and National Highway Authority of India (NHAI) are permitted to issues capital gains bonds under Section 54 EC.
- Some key features of Section 54 EC bonds are:
 - Highest credit rating of AAA by CRISIL, CARE and FITCH.
 - Interest is taxable although no TDS is deducted.
 - Lock-in of around 3 years and non- transferable.
 - Minimum amount of investment Rs10000 and multiples.

Name of Issuer	Credit Rating	Interest Payment Frequency	Maturity	Interest Rate
Rural Electrification Corporation Limited (REC)	AAA by CRISIL	Annual	5 years with Put & Call option after 3 yrs	6.25%
National Highway Authority of India (NHAI)	AAA by CARE, AAA/ Stable” by CRISIL , “AAA/ind” by Fitch Ratings	Annual	5 years with Put & Call option after 3 yrs	6.25%

REC was incorporated in 1969 as a wholly owned subsidiary of Government of India. Its main objective is to finance and promote rural and other electrification projects all over the country. It also provides financial assistance to State Electricity Boards, State Government Departments, Private Sector and other entities in the power sector.

- **Face Value** - Rs10,000/-
- **Mode of issue** - Private Placement



- **Minimum Application** - One Bond of Rs.10000/-
- **Maximum Application** - 500 Bonds of Rs.10000/- as per the conditions laid in the Finance Act, 2007
- **Mode of subscription** - 100% on application
- **Deem date of allotment** - Last day of each month in which the subscription money is realized and credited to REC account.
- **Coupon Rate & Payment of Interest** - 6.25% (payable annually on 30th June) from the date of realization of cheque/draft in account of REC.
- **Tap Period** - Upto 31st March, 2010. However, the corporation would have a right to close the issue any time by giving a prior notice of 5 days in any two leading dailies.
- **Tenor** - 3 years from the deemed date of allotment.
- **Redemption** - At par, at the end of 3 years from the deemed date of allotment.
- **Transfer** - Non-Transferable.
- **Bankers** – Union Bank of India, IDBI Bank, Canara Bank, HDFC Bank
- **Nature of Security** - English mortgage creating pari-pasu charge over REC's immovable property and charge on receivables of REC to the satisfaction of the trustee.
- Applications should be in multiple of Rs.10000/ strictly or the Banker would refuse the acceptance.
- The **National Highways Authority of India** was constituted by an act of Parliament, the National Highways Authority of India Act, 1988. It is responsible for the development, maintenance and management of National Highways entrusted to it and for matters connected or incidental thereto. The Authority was operationalized in Feb, 1995.

Face Value	Rs. 10000/- per Bond
Issue price	Rs. 10000/- per Bond
Minimum application size	Five Bonds of Rs. 10,000/- each and in multiple of one Bond thereafter.
Maximum application size	Five Hundred Bonds of Rs. 10,000/- each (Rs. 50,00,000) subject to fulfillment of other conditions as specified in Income Tax Act.
Mode of Subscription	100% on application
Deemed Date of Allotment	Last day of each month for application money cleared and credited in NHAI's collection account
Transferability	The Bonds are non-transferable, non-negotiable and cannot be Offered as a security for any loan or advance
Maturity	3 years from Deemed Date of Allotment
Interest payment	Annual
Coupon rate	6.25%
Redemption	Bullet, at the time of Maturity
Trustee	Syndicate Bank, 6, Bhagwan Dass Road, New Delhi-01
Availability of the prospectus and application form	Across the country with NHAI offices, leading SEBI Registered Category-I Merchant Bankers & Banks



Bankers	All the Branches of IDBI Bank and Selected branches of Syndicate Bank, HDFC Bank & Punjab National Bank. For details of bank branches please refer Information Memorandum (IM).
Ceiling	Rs.4000Crore
Date of Allotment	At the last day of every month
Date of Start	11.05.2009
Date of Closure	31.03.2010
Applicable Laws	Income Tax Act 1961 and NHA Act
TDS	No TDS

TAX SAVING FIXED DEPOSITS (Under Sec-80C)

- HUDCO FD
- SCHEMES
- REGULAR PLUS (with effect from 1.07.2009)
- Periodic Income Scheme

Period of Deposit (Months)	Rate of Interest (% p.a.)	* Interest Payable on Minimum Deposit of Rs 50,000		
		Quarterly	Half Yearly	Yearly
12	7.5	938	1893	3857
24	7.75	969	1956	3989
36 & 48	8.1	1013	2046	4175

*Minimum deposit amount is Rs 50,000/-. Additional amount in multiples of Rs. 5,000/-.

* Interest compounded on quarterly basis.

0.25% p.a. extra interest for Sr. Citizens of 60 years and above age.

- MULTIPLIER PLUS (with effect from 1.07.2009)
- Cumulative Income Scheme



Period of Deposit (Months)	Rate of Interest (% p.a.)	*Maturity Value for Deposit of Rs 10,000	
		For All	For Senior Citizen
12	7.5	10771	10789
24	7.75	11659	11717
36	8.1	12720	12814
48	8.1	13782	13917
60	8.2	15006	15191

*Minimum amount of deposit is Rs. 10,000/- and additional in multiples of Rs. 1,000/-.

*Interest compounded on quarterly basis.

0.25% p.a. extra interest for Sr. Citizens of 60 years and above age.

- **Who can Apply?**

Resident/Non-Resident (On non-repatriable basis) individuals, Minors through Guardian, Hindu Undivided families (HUF), Trusts, Cooperative Societies, Domestic Companies

- **Tax Benefits**

HUDCO Public Deposit Scheme qualifies under Section 80C (2)(xvi)(a) of Income-tax Act, 1961. Accordingly, the deposits with minimum lock in period of 5 years made under HUDCO Public Deposit Scheme will qualify for deduction from gross total income upto Rs. 1,00,000/-. The above tax benefit is only for individual and HUF investors.

- **Credit Rating**

CARE AA+ (FD) by CARE

- **NHB FD**

- **SCHEME**

- **NHB SUVRIDHI Term Deposit Scheme (with effect from 27.4.2009)**

Duration of Deposit (months)	Interest rate**	Annualized rate
60Months	8.00*	8.24*

- For Senior Citizens: Additional rate of 0.50% p. a



- **** Interest rates offered above are as on date and computed on quarterly compounding basis.**
- **Deposit Amount:**
Minimum of Rs. 10,000 and higher in multiples thereof up to maximum of Rs. 1,00,000/- per financial year.
- **Who can deposit:**
Individuals / HUF
- **Interest option under the Scheme:**
Cumulative Interest Option / Non- Cumulative Interest Option.
- **Tax Benefits:**
Under Section 80C- Notified by CBDT published in Extraordinary Gazette of India dated 5th January, 2009 S.O.21 (E).
- **Nomination:**
Available
- **TDS on interest:**
Deduction of Income-tax at source from interest payments will be governed by the provisions of the Income Tax Act, 1961, as in force from time to time, and the rules frame there under. As per the present provisions U/S 194A of the Income Tax Act, 1961, interest upto Rs. 5000/- in a financial year is exempt from deduction of tax at source.
- **Credit Rating:**
FAAA by CRISIL and TAAA by FITCH