

**Government of India
Ministry of Finance
Department of Economic Affairs**

New Delhi, Dated July 29, 2013

**NOTIFICATION
8% Savings (Taxable) Bonds, 2003**

No.F.4(10)-W&M/2003: The Government of India hereby notifies that Paragraph 16 (Repayment) of the aforesaid Notification shall be amended as follows:

16. Repayment:

(i) The bonds shall be repayable on the expiration of **6 (six) years** from the date of issue.

(ii) Provision for premature encashment

Premature encashment in respect of the Bonds shall be allowed for individual investors in the age group of 60 years and above, subject to submission of document relating to date of birth of the investor in support of age to the satisfaction of the bank, after minimum lock in period from the date of issue as indicated below:-

- (a) Lock in period for investors in the age bracket of 60 to 70 years shall be 5 years from the date of issue.
- (b) Lock in period for investors in the age bracket of 70 to 80 years shall be 4 years from the date of issue.
- (c) Lock in period for investors of the age of 80 years and above shall be 3 years from the date of issue.

In case of joint holders or more than two holders of Bond any one of the holders shall fulfill the above conditions of eligibility. After aforesaid minimum lock in period from the date of issue an eligible investor can surrender the Bonds at any time after the 10th, 8th and 6th half year corresponding to the respective lock in period but redemption payment will be made on the following interest payment due date. Thus the effective date of premature encashment for eligible investors will be 1st October and 1st April every year. However, 50% of interest due and payable for the last six months of the holding period will be recovered in such cases both in respect of cumulative and non cumulative bonds.

The other terms and conditions of the Notification shall remain unchanged.

By Order of the President of India

(Dr. Rajat Bhargava)
Joint Secretary to the Government of India