

RBI Floating Rate Savings Bonds 2020 (Taxable), also known as the GOI Bonds, currently offer a taxable interest rate of 8.05% (till 31<sup>st</sup> December 2025) over a seven-year term. This interest rate is variable and tied to the interest rate of the National Savings Certificate (NSC), a government-backed savings scheme, unlike fixed-rate bonds. These bonds offer a 0.35% higher interest rate compared to NSC. When NSC rates rise, so do the rates for RBI Floating Rate Savings Bonds, and vice versa when NSC rates fall. This link ensures that the interest rate on these bonds remains competitive and responsive to market changes.

## Key Features:

Issuer- RBI on behalf of Government of India

Minimum Investment- 1000/-

No maximum limit on investment

Rate of Interest- 8.05% (till 31<sup>st</sup> December 2025)

Interest Payout Frequency- Semi Annual

Tenure- 7 Years

Interest Payout Date- January 1<sup>st</sup> and July 1<sup>st</sup>

## Eligibility:

A Person residing in India

- In his or her individual capacity, or
- In individual capacity on joint basis, or
- In individual capacity on anyone or survivor basis, or
- On behalf of a minor as father/mother/legal guardian
- A Hindu Undivided Family

## Benefits of Investing in RBI Bonds:

- **Tax Benefits:** While the bond does not offer tax exemptions on interest earned, the income is taxable according to the investor's applicable income tax slab. This benefits individuals in lower tax brackets. Moreover, its competitive interest rate makes it an attractive choice for many.
- **Interest Rate:** The main attraction of the RBI floating rate bond is its lucrative interest rate set at 8.05% p.a. Amidst lower fixed deposit interest rates offered by banks and low-yield investments, this rate offers investors the chance to get better profits on their investments.
- **Liquidity:** These bonds have a lock-in period, but they have more liquidity than certain other tax-saving options, such as PPF. Provisions for premature withdrawal are available for senior citizens based on age-specific lock-in periods.
- **Safety:** The RBI floating rate savings bond, which is backed and issued by the Indian government, is a reliable and safe investment. Its sovereign guarantee from the Government of India gives cautious investors peace of mind by guaranteeing the safety of both the principal investment and accrued interest.

## Premature Withdrawal:

The bonds will be repayable after the completion of 7 years. Premature withdrawal is allowed only for those whose age is 60 years and above subject to the submission of documents relating to the date of birth proof.

| Age Group       | Lock- in Period |
|-----------------|-----------------|
| 60-70 Years     | 6 Years         |
| 70-80 Years     | 5 Years         |
| Beyond 80 Years | 4 Years         |

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