

NABARD TO ISSUE ZERO COUPON BONDS

Govt. of India has permitted NABARD to issue Zero Coupon Bonds (ZCBs) to the tune of Rs. 10,000 crore. The resources raised through this bond will be channelised for crucial priority areas of agriculture and rural development. The salient features of the bonds will be as under:

- The bonds will be issued at discount and repaid at face value. The face value per bond will be Rs. 20,000/-
- The tenure of the bonds will be 10 years. However, investors will have option to sell it in the secondary market.
- The bonds will be listed in Bombay Stock Exchange (BSE) making it a liquid investment.
- The income accrued on the bonds i.e. the difference between maturity value and the amount of investment, will be treated as a capital gain and will be taxed accordingly.
- No tax will be deducted at source.
- The long-term maturity will allow the investor to plan for long range goals such as paying for children's education/ marriage or post retirement requirements, etc.
- The bonds will be available for subscription at all the offices of NABARD and select bank branches.

Full details will be available in the offer document.