

**Tax Free Bonds
of Govt. of India undertaking –
an attractive investment option
for investors taxed at
highest Income Tax Rate**

by

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Investment in Tax Free Bonds

- ✓ Tax Free Bonds were issued by Govt. of India undertaking like :
 - * Power Finance Corporation (PFC),
 - * National Highways Authority of India (NHAI),
 - * Rural Electrification Corporation (REC),
 - * Housing & Urban Development Corporation (HUDCO) etc.
- ✓ The interest received in these Bonds is completely Tax Free in the hands of the investor.

Investment in Tax Free Bonds

- ✓ Tax Free Bonds suggested for investment have a residual maturity period of 9 years, 11 years, 14 years, 16 years etc.
- ✓ Tax Free Bonds are not available in the primary market by IPO.
- ✓ Investment in Tax Free Bonds have to be made by acquiring these bonds by re-sale only.

Investment in Tax Free Bonds

- ✓ The rate of return on these bonds is 5.69% (01/01/2020), which is completely Tax Free and known as YTM (Yield To Maturity).
- ✓ YTM (Yield To Maturity) is the return on investment, which takes into consideration, based on the fact that, on maturity, the investor would get face value against the market value paid at the time of buying the Bonds.

Investment in Tax Free Bonds

✓ Yield to maturity at different pre Income Tax Rates:

| | | |
|----|---------------------------|-------|
| A) | At 31.20% Income Tax Rate | 8.27% |
| B) | At 20.80% Income Tax Rate | 7.19% |

✓ Comparison with 5 Year Bank Deposit Rates of following Banks:

| | | |
|----|----------------|-------|
| 1) | SBI | 6.10% |
| 2) | Bank of Baroda | 6.25% |

✓ Conclusion : The Yield on a Govt. of India backed Tax Free Bond is better by 2.17% than Fixed Deposit of top PSU Banks.

Investment in Tax Free Bonds

- ✓ **Very attractive investment option for :**
 - Investors who invest in Bank Fixed Deposit**
 - &**
 - Investor who are taxed in higher tax rates of 30% plus surcharge.**
 - &**
 - who want to get fixed rate of interest for long period of 9 years, 11 years, 14 years and even for 16 years.**

Investment in Tax Free Bonds

✓ Do not miss this attractive investment opportunity

To invest in these Tax Free Bonds

:: Contact us ::



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Kindly refer offer documents carefully before investments.

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