

**No.402/92/2006-MC (09 of 2010)**  
**Government of India / Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**  
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New Delhi dated 8<sup>th</sup> February 2010

The Central Government have authorized the Indian Railway Finance Corporation (IRFC) to issue tax-free, secured, redeemable, non-convertible bonds of the total value of Rs.5,000 crore carrying an interest rate in the range of 6.50% to 7.25% per annum, through public issue or otherwise by 31<sup>st</sup> March 2010. The interest income on investment in these bonds will be exempt from income tax under item (h) of sub-clause (iv) of clause (15) of section 10 of the Income-tax Act, 1961 in the hand of the person in whose name such bonds are registered.

{CBDT Notification No. 07 of 2010 dated 3<sup>rd</sup> February 2010}

2. The Central Government have also approved notification of 10 years zero-coupon Bhavishya Nirman Bonds of National Bank of Agriculture and Rural Development (NABARD) to be issued by 31<sup>st</sup> March 2010 for the purpose of sub-section 48 of section 2 of the Income Tax Act, 1961. The number of bonds approved for issue are 95,20,000 with maturity value of Rs.20,000 each having life period of 10 years. The income on such bonds will be taxed only on maturity as capital gain.

{CBDT Notification No. 08 of 2010 dated 3<sup>rd</sup> February 2010}

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