

**RBI/2006-2007/424**

Ref DGBA.CDD No H- 17134 / 13.01.299 / 2006 - 07

May 31, 2007  
Jyeshtha 10, 1929 (Saka)

The General Manager  
State Bank of India and Associate Banks  
and 17 Nationalised Banks  
The Managing Director  
ICICI Bank Ltd / IDBI Bank Ltd / HDFC Bank Ltd / UTI Bank Ltd and SHCIL

Dear Sir,

**Income Tax Act, 1961 - Section 193 - 8 % Savings (Taxable) Bonds, 2003 - TDS**

In terms of proviso to clause (iv) of Proviso to Section 193 of the Income Tax Act, 1961 (as inserted vide Finance Act, 2007), tax is required to be deducted at source on the interest exceeding rupees ten thousand payable during the financial year on 8 % Savings (Taxable) Bonds, 2003 **with effect from June 1, 2007.**

2. In this connection, we forward herewith a copy of Government of India Notification No F. 4 (10) – W & M / 2003 dated May 31, 2007 and advise you to bring the contents of this Notification to all your offices / branches for their information and necessary action.

3. Please acknowledge the receipt.

Yours faithfully,

(Balu K)  
Deputy General Manager

Government of India  
Ministry of Finance  
Department of Economic Affairs

New Delhi, dated May 31, 2007

**NOTIFICATON**

8 % Savings (Taxable) Bonds, 2003

No.F.4 (10) - W & M/2003: The Government of India, hereby notifies that pursuant to the amendment to clause (iv) of the proviso to Section 193 of the Income Tax Act, 1963, with effect from June 1, 2007, tax will be deducted at source on the interest exceeding rupees ten thousand payable during the financial year on 8 % Savings (Taxable) Bonds, 2003.

The other terms and conditions of the issue of Bonds shall remain unchanged.

By Order of the President of India

(L. M. Vas)  
Joint Secretary to the Government of India