

**Government of India  
Ministry of Finance  
Department of Economic Affairs  
(Budget Division)**

**New Delhi, dated March 28, 2008**

**NOTIFICATION**

**Issue of '8.40 per cent Oil Marketing Companies' Government of India Special Bonds, 2025'.**

F.No.4 (13)-W&M/2007: Government of India hereby notifies the issue of '8.40 per cent 'Oil Marketing Companies' Government of India Special Bonds, 2025', (hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.9296.92 crore (nominal) on March 28, 2008.

**1. Eligibility for making subscription to the Special Bonds and limits of subscription.**

The companies as referred to in the Annex 1 hereto shall be eligible to subscribe to the Special Bonds and their subscription to the Special Bonds shall be limited to the extent of the amount, as shown against their respective names in the said Annex 1. No other person including any bank, company, corporation or any other body, except the companies as referred to in the aforesaid Annex, shall be eligible to subscribe to the Special Bonds.

**2. Price**

The Special Bonds shall be issued on application at par for the amounts as per the application made by the eligible companies. The Special Bonds will be issued for a minimum amount of Rs. 10,000 (Nominal) and in multiples of Rs. 10,000 thereafter.

**3. Application**

The Special Bonds shall be issued on application as per proforma in Annex II, from the eligible companies.

**4. Form of Security**

The Special Bonds will be issued in the form of stock, i.e. 'Stock Certificates' or by credit to Constituent Subsidiary General Ledger Account maintained with Subsidiary General Ledger Account holder.

**5. Commencement of tenure and date of repayment**

The tenure of Special Bonds will commence from March 28, 2008. Interest on the Special Bonds will accrue from the date of commencement of tenure. The special Bonds will be repaid at par on March 28, 2025 at Public Debt Office, Reserve Bank of India, Mumbai.

**6. Interest**

The Special Bonds will bear interest at the rate of 8.40 per cent per annum. Interest will be reckoned from the date of commencement of tenure of the Special Bonds and will be payable half yearly on September 28 and March 28 till maturity of the Special Bonds.

Interest on the Special Bonds will be payable at Public Debt Office, Reserve Bank of India, Fort, Mumbai. Interest will be paid after rounding off the amount of interest to the nearest rupee.

#### **7. Transferability**

(i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, sub-divided, consolidated, converted and transferred by the holder in accordance with the provisions of the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

(ii) Notwithstanding what is stated in paragraph 1 hereinabove, there will be no restriction on the transfer of the Special Bonds by the subscribers in favour of any other person including banks, corporation or any other body and the transferee of such security would also be entitled to hold and transfer the same in such manner.

#### **8. Statutory Provisions**

With respect to any such matter which has not been provided under this Notification, the Special Bonds shall be governed by the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

#### **9. Applicability of Tax Law**

The value of the investment in the Special Bonds and the interest payable thereon will be governed by the provisions of tax laws as applicable from time to time.

#### **10. Eligibility of Bonds**

The investment in the Special Bonds by the banks and insurance companies will not be reckoned as an eligible investment in Government securities for their statutory requirements. However, such investment by the insurance companies will be eligible to be reckoned as investment under “other Approved Securities” category as defined under Insurance Regulatory and Development Authority (Investment) Regulations, 2000. Further, the investment by the Provident Funds, Gratuity Funds, Superannuation Funds, etc. in the Special Bonds will be treated as an eligible investment under the administrative order of the Ministry of Finance.

#### **11. Eligibility for Repo**

The Special Bonds will be transferable and eligible for market ready forward transactions (Repo). The bonds, however, will not be an eligible underlying security for ready forward transactions (Repo/reverse Repo) with the Reserve Bank of India.

**By Order of the President of India**

**(V.Sivasubramanian)**  
**Director to the Government of India**

**Annex- I**

List of eligible Companies and allocation of '8.40 per cent Oil Marketing Companies Government of India Special Bonds, 2025'.

<b>(Rs. in crore)</b>		
<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Amount</b>
1	Indian Oil Corporation Ltd (IOC)	5121.62
2	Bharat Petroleum Corporation Ltd. (BPCL)	2078.92
3	Hindustan Petroleum Corporation Ltd. (HPCL)	1899.01
4.	Oil and Natural Gas Corporation Ltd.(ONGC)	197.37
	<b>Total</b>	<b>9296.92</b>

**ANNEX II**

**Place:**

**Date:**

The Regional Director,  
Public Debt Office,  
Reserve Bank of India,  
Mumbai-400 001

**Subject: ‘ 8.40 per cent Oil Marketing Companies’ Government of India Special Bonds, 2025’.**

Sir,

In terms of Government of India, Ministry of Finance, Notification F.No.4 (13) W&M/2007 dated March 28, 2008, we are eligible to subscribe to the captioned Bonds for an aggregate amount of Rs.\_\_\_\_\_ .

We accept the terms and conditions governing the Special Bonds and request you to issue the bonds in our favour.

Yours faithfully,

Signature:

Name:

Designation:

Office Seal/Stamp