

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

New Delhi, the February 12, 2007

NOTIFICATION

Issue of 8.20 per cent Oil Marketing Companies' Government of India Special Bonds, 2024.

F.No.4 (13)-W&M/2006: Government of India hereby notifies the issue of 8.20 per cent Oil Marketing Companies' Government of India Special Bonds, 2024, (hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.5,000 crore (nominal) on February 12, 2007.

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 Subsidiary General Ledger Account maintained with Public Debt Office of the Reserve Bank of India, Fort, Mumbai.

5. Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from February 12, 2007. Interest on the Special Bonds will accrue from the date of commencement of tenure. The special Bonds will be repaid at par on February 12, 2024 at Public Debt Office, Reserve Bank of India, Mumbai.

6. Interest

The Special Bonds will bear interest at the rate of 8.20 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 August 12 and February 12 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 Public Debt Act, 1944 and Public Debt Rules, 1946 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 Public Debt Act, 1944 and the Public Debt Rules, 1946 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 Special Bonds by Oil Companies or the banks or other institutions including Financial Institutions, Corporations or any other body to which the bonds are subsequently transferred would not be considered as an eligible investment in Government securities in pursuance of any statutory requirement as the case may be.

By Order of the President of India

(L.M. Vas)

Joint Secretary to the Government of India

Annex- I

List of eligible Companies and allocation of 8.20 per cent Oil Marketing Companies' Government of India Special Bonds, 2024.

(Rs. in crore)		
Sl. No.	Name of the Oil Marketing Company	Amount
1.	Indian Oil Corporation Ltd. including IBP	2953.02
2.	Bharat Petroleum Corporation Ltd.	1040.03
3.	Hindustan Petroleum Corporation Ltd.	1006.95
	Total	5,000.00

ANNEX II

Place:

Date:

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

Subject: 8.20 per cent Oil Marketing Companies' Government of India Special Bonds, 2024.

Sir,

In terms of Government of India, Ministry of Finance, Notification F.No.4 (13) W&M/2006 dated February 12, 2007, we are eligible to subscribe to the captioned Bonds for an aggregate amount of Rs._____ crore.

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