

**No. 4(9)-W&M/2007
Government of India
Ministry of Finance
Department of Economic Affairs**

**North Block, New Delhi-110001
Dated March 27, 2008**

Subject: Issue of '8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024'.

The enclosed notification in Hindi and English, bearing Number F. 4(9)-W&M/2007, dated March 27, 2008 duly signed by Director (Budget), is to be published in the Gazette of India Extraordinary Part-I Section-I today. The issue of the notification in the Gazette of India Extraordinary has been authorized by Director (Budget).

After issue, 10 copies of the Notification may kindly be sent to the undersigned by name.

**(Sudhir Kumar)
Deputy Director (Budget)
Tel: 23093569
Fax No.23093273**

The Manager,
Government of India Press,
Mayapuri, New Delhi- 110064.

Encl: As above

Copy forwarded to: -

1. Dr. K.V. Rajan, Chief General Manager, Reserve Bank of India, Internal Debt Management Department, Central Office, Mumbai-400001.
(FAX NO. 022-22644158 / 022-22653036)
2. Shri Amitabh Verma, Joint Secretary (BO), Department of Financial Services, Jeevan Deep Building, New Delhi-11001
3. Dr. Prafulla Kerketta, Director (Finance), DEA, New Delhi.
4. Director, NIC, M/o Finance, New Delhi

**(Sudhir Kumar)
Deputy Director (Budget)**

**Government of India
Ministry of Finance
Department of Economic Affairs**

New Delhi, the March 27, 2008

NOTIFICATION

Issue of 8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024

F. No 4(9)-W&M/2007 Government of India hereby notifies the issue of 8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024, (hereinafter briefly described as “Special Bonds”) for an aggregate amount of Rs 9996.012 crore (nominal) on March 27, 2008.

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

The State Bank of India shall be eligible to subscribe to the Special Bonds and its subscription shall be limited to the extent of the amount of bonds. No other person including any bank, company, corporation or any other body, except the State bank of India, shall be eligible to subscribe to the Special Bonds.

2. Price

The Special Bonds shall be issued on application at par for the amount as per the application made by the State Bank of India. 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 Annexure I, to the State Bank of India.

4. Form of Security

The Special Bonds will be issued by credit to the Subsidiary General Ledger account maintained with the Reserve Bank of India.

5. Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from March 27, 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 27, 2024 at Public Debt Office, Reserve Bank of India, Mumbai.

6. Interest

The Special Bonds will bear interest at the rate of 8.35 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 27 and March 27 till maturity.

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 the Government Securities Regulations, 2007 framed there under.

(ii) Notwithstanding what is stated in paragraph 1 hereinabove, there will be no restriction on the transfer of the Special Bonds by the subscriber 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 the 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

Annexure I

Place:

Date:

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

Subject : 8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024

Sir,

In terms of Government of India, Ministry of Finance, Notification No.F4(9)-W&M/2007 dated March 27, 2008, 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

No. 4(9)-W&M/2007
Government of India
Ministry of Finance
Department of Economic Affairs

North Block, New Delhi-110001
Dated March 27, 2008

Subject: Issue of '8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024'.

The enclosed notification in Hindi and English, bearing Number F. 4(9)-W&M/2007, dated March 27, 2008 duly signed by Director (Budget), is to be published in the Gazette of India Extraordinary Part-I Section-I today. The issue of the notification in the Gazette of India Extraordinary has been authorized by Director (Budget).

After issue, 10 copies of the Notification may kindly be sent to the undersigned by name.

(Sudhir Kumar)
Deputy Director (Budget)
Tel: 23093569
Fax No.23093273

The Manager,
Government of India Press,
Mayapuri, New Delhi- 110064.

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4. Director, NIC, M/o Finance, New Delhi

(Sudhir Kumar)
Deputy Director (Budget)

**No. 4(9)-W&M/2007
Government of India
Ministry of Finance
Department of Economic Affairs**

**North Block, New Delhi-110001
Dated March 27, 2008**

Subject: Issue of '8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024'.

A Press Communiqué (English and Hindi) on the above mentioned subject is forwarded herewith.

2. Additional Director General (Media&Communication), is requested to kindly ensure wide publicity over electronic, wire and print media.

**Additional Director General
(Media & Communication)
Press Information Bureau,
New Delhi.**

**(Sudhir Kumar)
Deputy Director (Budget)
Tel: 23093569
Fax No.23093273**

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4. Director, NIC, M/o Finance, New Delhi

**(Sudhir Kumar)
Deputy Director (Budget)**

PRESS COMMUNIQUE

Government of India have announced the issue of '8.35 per cent SBI Rights Issue Government of India Special Bonds, 2024' for Rs.9996.012 crore (nominal). The Special Bonds are being issued at par to State Bank of India on March 27, 2008 (Thursday) as subscription towards Rights Issue of equity shares of State Bank of India.

2. 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.

3. 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.

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
New Delhi Dated, March 27, 2008**