

## **PRESS COMMUNIQUE**

Government of India has announced the issue of 'Postal Life Insurance Government of India Special Floating Rate Security 2022', (hereinafter briefly described as "Special Floating Rate Bond") for Rs 7,000 crore (nominal). The Special Bonds are being issued at par to Department of Post on March 30, 2012 as part conversion of the frozen corpus of Post Office Life Insurance Fund (POLIF) and Rural Post Life Insurance Fund (RPOLIF).

2. The investment in the Special Floating Rate Bond by the banks and Insurance Companies will not be reckoned as an eligible investment in Government Bonds for their statutory requirements. However, such investment by the insurance companies will be eligible to be reckoned as investment under "other Approved Bonds" 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 Floating Rate Bonds will be transferable and eligible for market ready forward transactions (Repo).

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DATED, THE APRIL 11, 2012