

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

New Delhi, the March 31, 2011

NOTIFICATION

Issue of 8.08 per cent Postal Life Insurance Government of India Special Security, 2023

F. No. 5(12)-PD/2001(i): Government of India hereby notifies the issue of 8.08 per cent Postal Life Insurance Government of India Special Security, 2023, (hereinafter briefly described as “Special Security”) for an aggregate amount of Rs. 3,000 crore (nominal) on March 31, 2011.

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

The Directorate of Postal Life Insurance shall be eligible to subscribe to the Special Security and its subscription shall be limited to the extent of the amount of security. No other person including any bank, company, corporation or any other body, except the Directorate of Postal Life Insurance, shall be eligible to subscribe to the Special Security.

2. Price

The Special Security shall be issued on application at par for the amount as per the application made by the Directorate of Postal Life Insurance. The Special Security will be issued for a minimum amount of Rs. 10,000 (Nominal) and in multiples of Rs. 10,000 thereafter.

3. Application

The Special Securities shall be issued on application as per proforma in Annexure I, to the Directorate of Postal Life Insurance.

4. Form of Security

The Special Securities will be issued in the form of stock i.e. ‘Stock Certificates’ or by credit to Constituent Subsidiary General Ledger account maintained with a Subsidiary General Ledger account holder.

5. Commencement of tenure and date of repayment

The tenure of Special Securities will commence from March 31, 2011. Interest on the Special Security will accrue from the date of commencement of tenure. The Special Security will be repaid at par on March 31, 2023 at Public Debt Office, Reserve Bank of India, Mumbai.

6. Interest

The Special Securities will bear interest at the rate of 8.08 per cent per annum. Interest will be reckoned from the date of commencement of tenure of the Special Securities and will be payable half yearly on September 30 and March 31 till maturity.

Interest on the Special Securities 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 Securities 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 Securities 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 Securities 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 Security and the interest payable thereon will be governed by the provisions of tax laws as applicable from time to time.

10. Eligibility of Securities

The investment in the Special Securities 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 Securities will be treated as an eligible investment under the administrative order of the Ministry of Finance.

11. Eligibility for Repo

The Special Securities will be transferable and eligible for market ready forward transactions (Repo).

By Order of the President of India

(Shaktikanta Das)

Additional Secretary to the Government of India

Annexure I

Place:

Date:

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

Subject : 8.08 percent Postal Life Insurance Government of India Special Security, 2023

Sir,

In terms of Government of India, Ministry of Finance, Notification No. F. No. 5(12)-PD/2001(i) dated March 31, 2011, we are eligible to subscribe to the captioned securities for an aggregate amount of Rs. 3,000 crore.

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

Yours faithfully,

Signature:

Name:

Designation:

Office Seal/Stamp