

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

New Delhi, the September 29, 2004

NOTIFICATION

Issue of Non-interest bearing Government of India IDBI Special Security, 2024

F.No 4 (16)-W&M/2004: Government of India, hereby notifies the issue of non-interest bearing Government of India IDBI Special Security, 2024 (hereinafter briefly described as “the Special Security”) of 20-Year tenure for an aggregate amount of Rs. 9,000 crore (nominal).

1. Objective

Pursuant to a Loan Agreement entered into by the Government of India with the trustees of the Stressed Asset Stabilisation Fund, the Special Security is being issued to Stressed Asset Stabilisation Fund (hereinafter briefly described as “the Fund”). The Fund shall transfer the Special Security to the Industrial Development Bank of India (hereinafter briefly described as “the IDBI”) in consideration of the transfer of stressed assets of IDBI to the Fund.

2. Eligibility and Amount

Only the Fund shall be eligible to subscribe to the Special Security and its subscription to the Special Security shall be limited to Rs.9000 crore. No other person including any bank, company, corporation or any other body shall be eligible to subscribe to the Special Security.

3. Price

The Special Security shall be issued at par to the Fund on application.

4. Application

The form of application for the Special Security shall be as per Annex.

5. Commencement of tenure and date of repayment

(i) The tenure of the Special Security shall commence from September 29, 2004. The Special Security shall be repaid at par on September 29, 2024 at Public Debt Offices of the Reserve Bank of India at which they are registered at the time of repayment.

(ii) Notwithstanding what is stated in paragraph 5(i) hereinabove, the Government of India shall have the discretion to exercise “call option” to prematurely redeem in full or a part of outstanding stock of the Special Security at any time during the tenure of the Special Security. The premature redemption of the Special Security by the Government of India shall be made at par.

6. Interest

The Special Security shall not carry any interest.

7. Form of security

(i) The Special Security shall be issued to the Fund in demat form by credit to Constituent Subsidiary General Ledger Account of any scheduled commercial bank having Subsidiary General Ledger Account with Public Debt Office, Reserve Bank of India, Fort, Mumbai

(ii) The Special Security may be renewed, sub-divided, consolidated and converted by the holder in accordance with the provisions of the Public Debt Act, 1944 and Public Debt Rules, 1946 framed thereunder.

8. Minimum Amount and Denomination

The Special Security shall be issued for a minimum amount of Rs. 10,000 (nominal) and in multiples of Rs. 10,000 thereafter.

9. Statutory Provisions

With respect to any such matter which has not been provided under this notification the Special Security shall be governed by the Public Debt Act, 1944 and the Public Debt Rules, 1946 framed thereunder.

10. Applicability of Tax Laws

The value of the investment in the Special Security shall be governed by the provisions of tax laws as applicable from time to time.

11. Eligibility of investment in the Special Security

The successor or assign of the IDBI shall not be entitled to treat the investment in the Special Security as an eligible investment in pursuance of any statutory requirement or administrative order as the case may be.

By Order of the President of India

(K.S. Menon)

Joint Secretary to the Government of India

ANNEX

Mumbai
Date:

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

Dear Sir,

Non- interest bearing Government of India IDBI Special Security 2024

In terms of Government of India, Ministry of Finance, Notification F. No. 4(16)-W&M/2004 dated September 29, 2004, we are eligible to subscribe to the captioned Special Security for an aggregate amount of Rs. 9,000 crore.

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

Yours faithfully,

Signature:
Name:
Designation:
Office Seal/Stamp