

**-COPY OF-  
INCOME TAX NOTIFICATION  
NO. 52/2011  
DATED 23-9-2011**

**SECTION 10(15), ITEM (h) OF SUB-CLAUSE (iv) OF THE INCOME-TAX ACT, 1961 -  
EXEMPTIONS - INTEREST ON BONDS/DEBENTURES - NOTIFIED BONDS OR  
DEBENTURES OF PUBLIC SECTOR COMPANIES**

In exercise of the powers conferred by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby authorises the entities mentioned in column (2) of the table below, to issue, during the financial year 2011-12, tax free, secured, redeemable, non-convertible bonds of rupees 1,000 each in case of public issue and rupees 1,00,000 each in other cases, aggregating to amounts mentioned in column (3) of the said table, subject to the following conditions, namely:-

- (a) Tenure of Bonds.- The tenure of the bonds shall be ten or fifteen years;
- (b) Permanent Account Number.- It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer;
- (c) Interest rate. - The interest on the bonds shall be not less than hundred basis points lower than the yield on Government Securities of equivalent residual maturity as reported by the Fixed Income Money Market and Derivative Association of India, as on the last working day of the month immediately preceding the month of the issue of the bonds but in the case of a Public issue, the interest on the bonds shall be not less than 50 basis points lower than the yield on Government Securities of equivalent residual maturity;
- (d) Commission on sale.- (i) in case of a public issue, the commission on sale shall be capped at a maximum of a flat fee of 1.25% of the issue size;  
(ii) in case of a private placement- (a) for bonds with a tenure of ten years, the commission on sale shall be capped at a maximum of a flat fee of 0.1% of the issue size; (b) for bonds with a tenure of fifteen years, the commission on sale shall be capped at a maximum of a flat fee of 0.2% of the issue size.
- (e) The benefit under the said section shall be admissible only if the holder of such bonds registers his or her name and the holding with the respective entities mentioned in column (2) of the said table.

**TABLE**

<b>S.No.</b>	<b>Entities</b>	<b>Aggregate Amount of Bonds</b>
(1)	(2)	(3)
1.	National Highways Authority of India	Rs. 10,000 crores
2.	Indian Railway Finance Corporation Ltd.	Rs. 10,000 crores
3.	Housing and Urban Development Corporation Ltd.	Rs. 5,000 crores
4.	Power Finance Corporation	Rs. 5,000 crores

**[F.NO. 178/56/2011- (ITA-I)]**