

Auction of Government of India Dated Securities

Ref.No.IDMC.450 /08.02.30.01/2002-03

July 30, 2002

All Scheduled Commercial Banks excluding RRBs/
All State Co-operative Banks/All Scheduled Primary
(Urban) Co-operative Banks /All Financial Institutions/
All Primary Dealers

Dear Sirs,

Auction of Government of India Dated Securities

Government of India have offered to sell (re-issue) two dated securities, viz; 9.39% Government Stock, 2011 for a notified amount of Rs 5,000 crore (nominal) and 10.18% Government Stock, 2026 for a notified amount of Rs 2,000 crore (nominal) respectively, through multiple price based auctions by Reserve Bank of India, vide Notifications No. 4(9)-W&M/2002 and No.4(9)-W&M/2002(1) dated July 30, 2002. The auctions will be conducted at Mumbai on August 2, 2002. The salient features of the auctions and the terms and conditions governing the issue of the Stocks are given in the Notifications (copy enclosed), which should be read along with the General Notification F.No.4 (9)-W&M/2000 issued by Government on May 6, 2002 issued by Government of India.

2. We wish to draw your attention, in particular, to the following:

- (i) The Stocks will be issued for a minimum amount of Rs.10,000/- (nominal) and in multiples of Rs.10,000/- thereafter.
- (ii) The bids should be submitted in the prescribed form of application given in Annexure I/II, before 2.30 p.m. on August 2, 2002 in sealed covers superscribed "Tender for 9.39 % Government Stock 2011" or "Tender for 10.18 % Government Stock 2026"(as the case may be) and deposited in the appropriate tender box kept for the purpose at Reserve Bank of India, Fort, Mumbai. The price percent expected by the bidder should be expressed up to two decimal points.
- (iii) For both the auctions, Government Stock up to 5% of the notified amount of sale will be allotted to the eligible individuals and institutions under the Scheme for Non-competitive Bidding Facility in the Auctions of Government Securities (enclosed with the notifications F. No.4(9)-W&M/2002 and F. No.4(9)-W&M/2002(1) dated July 30, 2002).
- (iv) An investor can submit more than one bid at different prices but a separate application should be submitted for each bid. The aggregate amount of bids submitted by a person should not exceed the notified amount of each loan.
- (v) On the basis of bids received, the Reserve Bank will determine the minimum price up to which tenders for purchase of Government Stock will be accepted at the auctions. Bids quoted at rates lower than the minimum price determined by the Reserve Bank of India will be rejected. Reserve Bank of India will have full discretion to accept or reject any or all bids either wholly or partially without assigning any reason.

- (vi) The results of the auctions will be displayed at Reserve Bank of India, Mumbai Office, Fort, and Mumbai on August 2, 2002. Successful bidders will be required to deposit with the Reserve Bank of India, Public Debt Office, Fort, Mumbai, the amount payable for the Government Stock allotted to them in cash or by cheque on their account with Reserve Bank of India, Mumbai or by Banker's pay order, along with a covering letter on August 5, 2002 before 2.30 p.m. In case of current account holders, the amount payable will be debited to their respective current accounts maintained with the Reserve Bank of India.
- (vii) The Government Stocks will be issued by credit to Subsidiary General Ledger Account (SGL) of parties maintaining such account with Reserve Bank of India or in the form of Stock Certificate. Interest on the Government Stock will be paid half-yearly.
- (viii) The Government Stocks will be repaid at par on July 2, 2011 and September 11, 2026 respectively.
- (ix) The stocks will qualify for the ready forward facility.

Please acknowledge receipt.

Yours faithfully,

(Chadan Sinha)
General Manager