

Sale of Government of India Dated Securities by Auction

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August 22, 2002

To,

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,

Sale of Government of India Dated Securities by Auction

Government of India have offered to sell two dated securities, viz, a new 15 year Stock for a notified amount of Rs.5,000 crore (nominal) through a yield based auction using multiple price method vide notification F. No.4(9)-W&M/2002 dated August 22, 2002 (copy enclosed) and a new 30 year Stock for a notified amount of Rs.2,000 crore (nominal) through a yield based auction using uniform price method vide notification F. No.4(9)-W&M/2002 (1) dated August 22, 2002 (copy enclosed). The auctions will be conducted at Mumbai on Tuesday, August 27, 2002. The salient features of the auctions and the terms and conditions governing the issue of the Stocks are given in the notifications, which should be read along with the General Notification F.No.4(9) –W&M /2000, dated 6th May,2002 issued by the Government of India. We wish to draw your attention in particular, to the following:

- I. For both the auctions, Government Stock up to 5% of the notified amount of sale will be allotted to eligible individuals and Institutions under the Scheme for Non-competitive Bidding Facility in the Auctions of Government Securities.
- II. The Stocks will be issued for a minimum amount of Rs.10,000/- (nominal) and in multiples of Rs.10,000/- thereafter.
- III. The bids should be submitted in the prescribed form of applications given in Annexure (I or II as applicable) before 2.30 p.m. on August 27, 2002 in sealed cover superscribed "Tender for 15-Year Government Stock - Auction dated August 27, 2002" (Annexure I) and "Tender for 30-Year Government Stock - Auction dated August 27, 2002" (Annexure II) and deposited in the appropriate tender box kept for the purpose at Reserve Bank of India, Mumbai Office, Fort, Mumbai. The bids on behalf of retail clients under the "Scheme for Non-competitive Bidding Facility in the Auctions of Government Securities" should be submitted in formats Annexure I (a) and Annexure II (a) for 15 years and 30 years Government Stocks, respectively. The yield percent per annum expected by the bidder should be expressed up to two decimal points.
- IV. For both the auctions, an investor can submit more than one bid at different yields 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.
- v. 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, Fort, Mumbai on August 27, 2002. Successful bidders will be required to deposit with the Reserve Bank of India, Mumbai Office (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 28, 2002 before 2.30 p.m. In case of holders of Current account with RBI, 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. The interest will be payable half-yearly on February 28 and August 28.
- viii. The 15 years Stock will be repaid at par on August 28, 2017 and the 30 year Stock will be repaid at par on August 28, 2032.

2. Both the stocks will qualify for the Ready-forward facility.

Yours faithfully,

Sd/-

(C.R. Samyuktha)
General Manager
Encl.: as above