

**RBI/2004/159**

Ref.No.CO.DT.13.01.319/H- 5975 /2003-04

April 19, 2004.

Chaitra 30, 1926 (S)

LOAN CIRCULAR NO. 17 /2003

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

Dear Sir,

**Issue of 5.32 per cent Government Stock 2014, to Reserve Bank of India on private placement basis in connection with prepayment of high cost ADB loans in Japanese Yen**

Please refer to the Government of India, Ministry of Finance, Notification F. No. 4(8)-W&M/2003 dated February 16, 2004 (read with their General Notification F. No.4(9) (2)- W & M/2000 dated 6th May 2002 and amended Notification No.4(9)W&M/2000 dated 20th September 2002) regarding the issue of the captioned Govt. Stocks to Reserve Bank of India on Private Placement basis on February 16, 2004 (copy enclosed) in connection with prepayment of high cost ADB loans in Japanese Yen.

2. The details of the stock issued are given in the Annexure. You may please keep in view the following instructions regarding above stocks.

- (a) The Government Stocks were issued on private placement basis to Reserve Bank of India alone, on application submitted by Reserve Bank of India on February 16, 2004.
- (b) Notwithstanding what is stated in para 2(a) above there will be no restriction on the transfer of the Government Stock by the Reserve Bank of India in favour of any other person including banks, company, corporation or any other body and the transferees of such security would also be entitled to hold and transfer the same in such manner.
- (c) The Securities issued will be governed by the provisions of the Public Debt Act, 1944 and the Public Debt Rules, 1946.
- (d) The value of the investment in Government Stock and interest payable thereon shall be governed by the provisions of tax laws as applicable from time to time.
- (e) As regards the issue of receipts, reporting and transfer of the subscriptions, accounting maintenance of ledgers, issue registers and other connected records, etc. the usual procedure/instructions should be followed.
- (f) Statement in Form PDO-225 in connection with floatation of the above loan may be forwarded to Central Office, if not already furnished.
- (g) As regards accountal of issue expenses incurred by the Public Debt Office the revised procedure prescribed in our circular letter No.CO.DT. 13.14.000/ 1500/1999-2000 dated 6<sup>th</sup> September 1999, may be followed.

3. As regards placing of an indent with Kolkata Office for border forms, procedure laid down in para 3 of our Circular letter No.CO.DT.13.01.018/411 and 412/94-95 dated 3<sup>rd</sup> August 1994 may be followed.

4. Should any point in these instructions require further clarification, a reference may please be made to the undersigned immediately.

5. Please acknowledge receipt.

Yours faithfully,

( P. Loganathan )  
Asstt. General Manager  
Encl : 4

## **ANNEXURE**

1.	Nomenclature	5.32 per cent Govt. Stock, 2014
2.	Notified Amount	Rs. 5000 crore (nominal)
3.	Date of Issue	February 16, 2004
4.	Issue Price	Issued at par
5.	Rate of Interest	The stock will bear interest at 5.32% per annum and will accrue on nominal value of the stock from date of commencement of tenure. Interest will be paid half yearly on August 16 and February 16.
6.	Mode of issue	The Govt. Stock shall be issued only to RBI on private placement basis. Government Stock will be sold through RBI, Mumbai Office.
7.	Date of Repayment	The stock will be repaid at par on February 16, 2014.
8.	Transferability	No restriction on the transfer of Government Stock by RBI in favour of any other person including banks, corporations or any other body & transferee would also be entitled to hold or transfer in same manner.
9.	5 digit loan code No.	04003
10.	Loan Account Code No.	10 Digit Loan Account Code No. to be over printed on the Stock Certificate will be 8000428002.