

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)
(Budget Division)
New Delhi

Dated December 8, 2008

NOTIFICATION

Repurchase of '5.87 per cent Government Stock, 2010' under Market Stabilisation Scheme

F.No.4(6)-W&M/2008(i): As per the provisions contained in the Memorandum of Understanding between the Reserve Bank of India and the Government of India dated March 25, 2004 for launching of the Market Stabilization Scheme, Government of India hereby notifies repurchase of '**5.87 per cent Government Stock 2010**' (hereinafter called 'Government Stock') for an aggregate amount of Rs.**5,000** crore (nominal) under the Market Stabilisation Scheme.

1. Eligibility and Amount

The Government Stock shall be repurchased on **December 15, 2008** from the banks and financial institutions at the price offered by them and accepted by Reserve Bank of India in the repurchase auction to be held on **December 11, 2008** as per the scheme. The Government Stock repurchased in this manner by Government of India shall get prematurely redeemed. The aggregate amount of premature redemption shall be limited to the extent of aggregate offers accepted by Reserve Bank of India in the repurchase auction.

2. Repayment for the Government Stock

The payment for the redeemed Government Stock shall be made by the Government of India on **December 15, 2008** at the price or prices offered by banks and financial institutions whose offers in the repurchase auction have been accepted. The payment shall also include accrued interest on the nominal value of the successful offer of the Government Stock from the date of last coupon payment i.e. from **July 2, 2008** to **December 14, 2008**.

3. Interest

Interest shall cease to accrue on the redeemed Government Stock from the date of premature redemption i.e. **December 15, 2008**. On the unredeemed outstanding amount of the Government Stock, interest at the rate of **5.87** per cent per annum shall be paid half yearly on **January 2** and **July 2** till the date of original redemption, i.e. **January 2, 2010** in accordance with the earlier corresponding Notification(s) issued by Government of India.

4. Statutory Provisions

With respect to any such matter which has not been provided under this Notification, the Government Stock shall be governed by the Government Securities Act, 2006 and Government Securities Regulations 2007 framed there under and the earlier corresponding Notification(s) issued by the Government of India.

By Order of the President of India

(L. M. Vas)
Additional Secretary to the Government of India