

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

New Delhi Dated January 13, 2009

**NOTIFICATION**

**Repurchase of '6.57per cent Government Stock, 2011' under Market Stabilisation Scheme**

F.No.4 (6)-W&M/2008: 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 '**6.57 per cent Government Stock 2011**' (hereinafter called 'Government Stock') for an aggregate amount of Rs.3,000 crore (nominal) under the Market Stabilisation Scheme.

**1. Eligibility and Amount**

The Government Stock shall be repurchased on **January 19, 2009** 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 **January 15, 2009** 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 **January 19, 2009** 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 **August 24, 2008** to **January 18, 2009**.

**3. Interest**

Interest shall cease to accrue on the redeemed Government Stock from the date of premature redemption i.e. **January 19, 2009**. On the unredeemed outstanding amount of the Government Stock, interest at the rate of **6.57** per cent per annum shall be paid half yearly on **February 24** and **August 24** till the date of original redemption, i.e. **February 24, 2011** 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