

**Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division**

New Delhi, dated June 25, 2012

NOTIFICATION

Auction for Sale of a New Government Stock of 5 Years

F. No.4 (5) W&M/2012: Government of India hereby notifies sale (new) of Government Stock (securities) of 5-year tenure for an aggregate amount of Rs. 4,000 crore (nominal). The sale will be subject to the terms and conditions spelt out in this notification (called 'Specific Notification') as also the terms and conditions specified in the General Notification F. No. 4 (13)-W&M/2008, dated October 8, 2008 issued by Government of India.

Method of Issue

2. The Stock will be sold through Reserve Bank of India, Mumbai Office, Fort, Mumbai- 400 001 in the manner as prescribed in paragraph 5.1 of the General Notification F. No. 4 (13)-W&M/2008, dated October 8, 2008 by a yield based auction using uniform price auction method.

Allotment to Non-competitive Bidders

3. The Government Stock up to 5% of the notified amount of the sale will be allotted to eligible individuals and institutions as per the enclosed Scheme for Non-competitive Bidding Facility in the Auctions of Government Securities (**Annex**).

Place and date of auction

4. The auction will be conducted by Reserve Bank of India, Mumbai Office, Fort, Mumbai-400 001 on June 29, 2012. Bids for the auction should be submitted in electronic format on the Negotiated Dealing System (NDS) on June 29, 2012. The non-competitive bids should be submitted between 10.30 a.m. and 11.30 a.m. and the competitive bids should be submitted between 10.30 a.m. and 12.00 p.m.

When Issued Trading

5. The Stock will be eligible for "When Issued" trading in accordance with the guidelines issued by the Reserve Bank of India.

Tenure

6. The Government Stock will be of five years tenure. The tenure of the Stock will commence from July 03, 2012. The Stock will be repaid at par on July 03, 2017.

Date of issue and payment for the stock

7. The result of the auction shall be displayed by the Reserve Bank of India at its Fort, Mumbai Office on June 29, 2012. The payment by successful bidders will be on July 03, 2012 i.e., the date of issue (July 02 being the Annual closing day of RBI).

Interest

8. The coupon rate for the securities will be set at the cut-off yield to maturity rate decided in the auction. The interest will be payable half-yearly on January 03 and July 03.

By Order of the President of India

(Dr. Rajat Bhargava)
Joint Secretary to the Government of India