



TAMIL NADU GOVERNMENT GAZETTE

EXTRAORDINARY

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Part II—Section 1

Notifications or Orders of specific character or of particular interest to the public
issued by Secretariat Departments.

NOTIFICATIONS BY GOVERNMENT

FINANCE DEPARTMENT

MARKET BORROWING PROGRAMME OF STATE GOVERNMENT BY AUCTION

Secretariat, December 30, 2010.

No. II(1)/FIN/31(g)/2010.

The following Notification is published:—

NOTIFICATION

[No. 213 (L)/W & M-II/2010, dated December 30, 2010.]

Government of Tamil Nadu hereby notifies the sale of Tamil Nadu Government Stock (Securities) of 10 year tenure for an aggregate amount of **Rs.500.000 Crore** (Nominal). Government of Tamil Nadu will also have an option to retain additional subscription upto a maximum amount of **Rs.125.000 Crore** (Nominal) over and above the notified amount. 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 No.170(L)/ W&MII/2007, dated 19th July 2007 of Government of Tamil Nadu.

Object of the Loan:

- (i) To Finance Part of Capital expenditure of Plan Schemes and other Development Schemes under execution.
- (ii) Consent of Central Government has been obtained to the floatation of this loan as required by Article 293 (3) of the Constitution of India.

Method of Issue:

2. The Government stock will be sold through the Reserve Bank of India, Mumbai Office (PDO), Fort, Mumbai-400 001 by auction in the manner as prescribed in paragraph 6.1 of the General Notification No.170(L)/W&MII/2007, dated 19th July 2007 at a coupon rate to be determined by the Reserve Bank of India at the yield based auction under multiple price format.

Allotment to Non-competitive Bidders:

3. The Government Stock up to 10% of the notified amount of the sale will be allotted to eligible individuals and institutions subject to a maximum limit of 1% of the notified amount for a single bid as per the Revised Scheme for Non-competitive Bidding Facility in the Auctions of State Government Securities of the General Notification (Annexure II).

Place and Date of Auction:

4. The auction will be conducted by the Reserve Bank of India, at its Mumbai Office, Fort, Mumbai-400 001 on **January 04, 2011**. Bids for the auction should be submitted in electronic format, on the Negotiated Dealing System (NDS) as stated below on **January 04, 2011**.

(a) The competitive bids shall be submitted electronically on the Negotiated Dealing System (NDS) between 10.30 A.M. and 12.30 P.M.

(b) The non-competitive bids shall be submitted electronically on the Negotiated Dealing System (NDS) between 10.30 A.M. and 11.30 A.M.

Result of the Auction:

5. The result of the auction shall be displayed by the Reserve Bank of India on its website on the same day. The payment by successful bidders will be on **January 05, 2011**.

Method of Payment:

6. Successful bidders will make payments on **January 05, 2011** before close of banking hours by means of cash, bankers' cheque/pay order, demand draft payable at Reserve Bank of India, Mumbai/Chennai or a cheque drawn on their account with Reserve Bank of India, Mumbai (Fort)/Chennai.

Tenure:

7. The Stock will be of 10 year tenure. The tenure of the stock will commence on **January 05, 2011**.

Date of Repayment :

8. The loan will be repaid at par on **January 05, 2021**.

Rate of Interest:

9. The cut-off yield determined at the auction will be the coupon rate per cent per annum on the Stock sold at the auction. The interest will be paid on **July 05 and January 05**.

Eligibility of Securities:

10. The investment in Government Stock will be reckoned as an eligible investment in Government Securities by banks for the purpose of Statutory Liquidity Ratio (SLR) under Section 24 of the Banking Regulation Act, 1949. The stocks will qualify for the ready forward facility.

(By Order and in the name of the Governor of Tamil Nadu)

K. SHANMUGAM,
Principal Secretary to Government of Tamil Nadu,
Finance Department.