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मध्यप्रदेश राजपत्र

(असाधारण)

प्राधिकार से प्रकाशित

क्रमांक 622]

भोपाल, शनिवार, दिनांक 4 दिसम्बर 2010—अग्रहायण 13, शक 1932

वित्त विभाग

मंत्रालय, वल्लभ भवन, भोपाल

Bhopal, the 3rd December 2010

No. L-1-2-2010-B-7-(DMC)-IV.—Government of Madhya Pradesh hereby notifies the sale of **Madhya Pradesh Government Stock (Securities) of 10-year tenure for an aggregate amount of Rs. 1000.00 Crore (Nominal)**. Government of Madhya Pradesh will also have an option to retain additional subscription up to a maximum amount of Rs. 200.00 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 revised General Notification No. L-1-1-2007-B-7-IV, dated 20th July 2007 of Government of Madhya Pradesh.

Object of the Loan

1. (i) The loan is required for financing development schemes.

(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. 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. L-1-1-2007-B-7-IV, dated 20th 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 **December 7, 2010**, Bids for the auction should be submitted in electronic format, on the Negotiated Dealing System (NDS) as stated below on **December 7, 2010**.

- (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 December 8, 2010.**

Method of Payment

6. Successful bidders will make **payments on December 8, 2010**, before close of banking hours by means of cash, bankers' cheque/pay order, demand draft payable at Reserve Bank of India, Mumbai/Nagpur or a cheque drawn on their account with Reserve Bank of India, Mumbai (Fort) /Nagpur.

Tenure

7. The Stock will be of 10-year tenure. The tenure of the Stock will commence on **December 8, 2010**.

Date of Repayment

8. The loan will be repaid at par on **December 8, 2010**.

Rate of Interest

9. The cut-off yield determined at the auction will be the coupon rate percent per annum on the Stock sold at the auction. **The interest will be paid on June 8 and December 8.**

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 Stock will qualify for the ready forward facility.

By order and in the name of the Governor of Madhya Pradesh,
ASHWINI KUMAR RAI, Secy.

The Regional Director,
Reserve Bank of India,
Mumbai 400 001

Dear Sir,

**Tender for 10 year Madhya Pradesh Government Stock, 2020
for an aggregate amount of Rs. 1000.000 crore
Auction to be held on Dec. 7, 2010**

Pursuant to Government of Madhya Pradesh, Ministry of Finance, Notification No. L-1-2-2010-B-7-DMC-IV-1208, dated 3-12-2010, and the Tender Notice issued by you, I/We, the undersigned hereby offer to purchase the 10 year Madhya Pradesh Government Stock 2019 on the captioned date as set out below:—

- (i) Name/Constituent's Name (\$\$)
- (ii) Address & Telephone No.

- (iii) SGL Code, if any
- (iv) Current Account No. if any
- (v) Nominal value of Stock required
- (vi) Yield per cent per annum desired to be earned thereon (expressed upto two decimal points rounded off to multiples of one).
- (vii) Name of the Public Debt Office where the SGL account is desired to be credited/Stock issued : Mumbai
- (viii) Place at which application money will be tendered : Mumbai/Nagpur*
- (ix) Place at which interest on Stock should be paid

Undertaking

1. On your acceptance of my/our bid, I/We agree/undertake to immediately collect the letter of acceptance from your Office and to deposit the requisite amount at Reserve Bank of India, Mumbai on the day/time as indicated therein.

2. I/We have read the terms and conditions of bidding for the auction to be held on the captioned date and undertake to abide by them.

3. I/We have also submitted another bid(s)/not submitted any other bid (strike out which is not necessary) for the auction to be held on the captioned date.

Yours faithfully,

Dated :

Signature and
Office Stamp of the Bidder/s

(\$\$) If the application is on behalf of a Constituent, indicate the name of the Constituent.

* Strike which is not applicable.

Revised Scheme for Non-competitive Bidding Facility in the Auctions of State Government Securities (Annex-II of the General Notification)

I. Objective

With a view to encouraging wider participation and retail holding of Government securities, it is proposed to allow participation of eligible individuals and institutions on "non-competitive" basis in the auctions of State Government securities. Accordingly, non-competitive bids up to 10 percent of the notified amount will be accepted in the auctions of State Government securities. The reserved amount will be within the notified amount.

II. Eligibility

Participation on a non-competitive basis in the auctions of State Government securities will be open to investors who satisfy the following :

- (i) Do not maintain current account (CA) or Subsidiary General Ledger (SGL) account with the Reserve Bank of India.

Exceptions : Regional Rural Banks (RRBs) and Cooperative Banks shall be covered under this Scheme in view of their statutory obligations.

- (ii) Make a single bid for an amount not more than 1 per cent of notified amount (Face vaule) per auction.
- (iii) Submit their bid through any one bank of PD offering this scheme.

Exceptions : Regional Rural Banks (RRBs) and Cooperative Banks that maintain SGL account and current account with the Reserve Bank of India shall be eligible to submit their non-competitive bids directly.

III. Coverage

Subject to the conditions mentioned above, participation on "non-competitive" basis is open to any person including firms, copanies, corporate bodies, institutions, provident funds, trusts, and any other entity as may be prescribed by RBI. The minimum amount for bidding will be Rs. 10,000 (face vaule) and thereafter-in multiples in Rs. 10,000 as hitherto for investment in State Government securities.

IV. Other Operational Guidelines

1. It will not be mandatory for the retail investor to maintain a "Gilt Account (under Constituent Subsidiary General Ledger (CSGL facility) with the bank or PD through whom they wish to participate. However, an investor can make only a single bid under this scheme. An undertaking to the effect that the investor is making only a single bid will have to be obtained and kept on record by the bank or PD.
2. Each bank or PD on the basis of firm orders received from their constituents will submit a single consolidated non-competitive bid on behalf of all its constituents in electronic format on the Negotiated Dealing System (NDS). Except in extraordinary circumstances such as general failure of the NDS system, non-competitve bid in physical form will not be accepted.
3. Allotment under the non-competitive segment to the bank or PD will be at the weighted average rate of yield/price that will emerge in the auction on the basis of the competitive bidding. The securities will be issued to the bank or PD against payment on the date of issue irrespective of whether the bank or PD has received payment from their clients.
4. In case the aggregate amount of bid is more than the reserved amount (i.e. 10 per ent of notified amount), pro rata allotment would be made. In case of partial allotments, it will be the responsibility of the bank or PD to appropriately allocate securities to their clients in a transparent manner.
5. In case the aggregate amount of bids is less than the reserved amount, the short fall will be taken to competitive portion of the notified amount.
6. Security would be issued only in SGL form by RBI. RBI would credit either the main SGL account or the CSGL account of the bank or PD as indicated by them. The facility for affording credit to the main SGL account is for the sole purpose of servicing investors who are not their constituents. Therefore, the bank or PD would have to indicate clearly at the time of tendering the non-competitive bids the amounts (face value) to be credited to their SGL account and the CSGL account. Delivery in physical form the main SGL account is permissible at the instance of the investor subsequently.
7. It will be the responsibility of the bank or the PD to pass on the securities to their clients. Except in extraordinary circumstances, the transfer of securities to the clients shall be completed within five working days from the date of issued.
8. The bank or PD can recover up to six paise per Rs. 100 as brokerage/commission/service charges for rendering this service to their clients. However, such costs may be recovered and accounted for separately from the clients and should not be built into the price. In case the transfer of securities is effected subsequent to the issue date of the security, the consideration amount payable by the client to the bank or PD would also include accrued interest from the date of issue.
9. Modalities for obtaining payment from clients towards cost of the securities, accrued interest wherever applicable and brokerage/commission/service charges may be worked out by the bank or PD as per

agreement with the client. It may be noted that no other costs such as funding costs should be built into the price or recovered from the client.

10. Banks and PDs will be required to furnish information relating to operations under the Scheme to the Reserve Bank of India (Bank) as may be called for from time to time within the time frame prescribed by the Bank.

V. Review of the Scheme

The aforesaid guidelines are subject to review by the Bank and accordingly, if and when considered necessary, the Scheme will be modified in consultation with the State Government.

Illustrations indicating amount payable on investment in Government Stock sold by auction

The Reserve Bank of India sells Government stock with a tenure of 10 years for an aggregate amount of Rs. 1,000 crore with face value of Rs. 100.00 at an auction. Assuming that the maximum rate of yield on the basis of bids received is determined at 12.75 per cent per annum, the bids accepted and payments to be made will be as under:

Illustration I: The following bids are received:

Nominal amount of bid	Expected yield by bidder (per cent per annum)
Rs. 300 crore	12.00
Rs. 400 crore	12.25
Rs. 300 crore	12.75
Rs. 400 crore	13.00

The first three bids will be accepted while the fourth bid will be rejected. The price payable by the respective bidders will be :

	Price	Amount to be paid
1st bidder	Rs. 104.30	Rs. 312.90 crore
2nd bidder	Rs. 102.84	Rs. 411.36 crore
3rd bidder	Rs. 100.00	Rs. 300.00 crore

Illustrations II: The following bids are received:

Nominal amount of bid	Expected yield by bidder (per cent per annum)
Rs. 400 crore	12.20
Rs. 300 crore	12.30
Rs. 1000 crore	12.75

In this case, the first two bidders will receive full allotment at the price @ Rs. 103.13 and Rs. 102.55 and the third bidder will get partial allotment (30 per cent) @ Rs. 100.00. The amounts payable by the respective bidders would be Rs. 412.52 crore Rs. 307.65 crore and Rs. 300.00 crore.

Note.—1. All successful bidders will receive half yearly interest @ 12.75 per cent per annum during the tenure of the bonds and the nominal value of the stock at maturity.

2. The yield assumed are **purely illustrative** and should not be taken as indicative.

Notes

1. If the applicant's signature is by thumb mark, it should be witnessed by two persons. The full name, occupation and address of the witnesses should be appended to their signature.

2. If the application is made in the name of a registered body, the undernoted documents, if not already registered at the Public Debt Office, should be submitted by the successful bidder to the Public Debt Office, Reserve Bank of India, Mumbai Office, Fort, Mumbai.

- (i) Certificate of Incorporation/Registration in original or a copy thereof certified as true by the issuing authority under his official seal.
- (ii) Certified copies of Memorandum and Articles of Association or the rules and regulations/Bye-Laws of the Company/body.
- (iii) Certified copy of resolution in favour of person/s authorised to deal in Government securities on behalf of the Company/body together with his/their duly attested specimen signature(s).

3. Applicant should also complete a Mandate Form (obtainable from the Public Debt Office, Mumbai for remittance of half-yearly interest on Stock Certificate/s issued to them.

Terms and Conditions :

1. The Madhya Pradesh Government Stock will be issued for a minimum amount of Rupees ten thousand (face value) and in multiples thereof.

2. Separate tender form should be completed for each bid.

3. Results of the auction would be displayed at Reserve Bank of India, Mumbai Office, Fort, Mumbai.

4. The Reserve Bank of India will have full discretion to accept or reject any or all bids either wholly or partially, if deemed fit, without assigning any reason.

5. Tenderer should check for himself the result of the auction and if successful, collect the letter of acceptance of the tender from the Reserve Bank of India, Mumbai.

6. In the case of accepted tenders, the Madhya Pradesh Government Stock would be issued for the nominal amount applied for at a price arrived at with reference to the yield per cent per annum desired to be earned thereon as given in the bid subject to a minimum allotment of Rs. 10,000 and further in multiples thereof.

7. The successful bidders will make payment on Dec. 08, 2010 before close of banking hours by means of Cash, Bankers Cheque/Pay order or Demand Draft payable at Reserve Bank of India, Mumbai or a cheque drawn on the account with Reserve Bank of India, Nagpur.

8. The Madhya Pradesh Government Stock will be issued to the parties by credit to their Subsidiary General Ledger Account maintained with Reserve Bank of India to those having such accounts and in the form of Stock Certificates to others.

GOVERNMENT OF MADHYA PRADESH

FINANCE DEPARTMENT

Auction of 10 year Madhya Pradesh Government Stock (Securities)

PRESS COMMUNIQUE

No. L-1/2/2010/B-7 (DMC)/IV/

Bhopal, Date December 4, 2010

(Financial and Budgetary Position of the Government of Madhya Pradesh)

Government of Madhya Pradesh have offered to sell the dated securities of ten-year tenure by auction for an aggregate amount of Rs. 1,000.000 crore. **Government of Madhya Pradesh will also have an option to retain**

additional subscription up to a maximum amount of Rs. 200.00 crore (Nominal) over and above the notified amount. Securities will be issued for a minimum nominal amount of Rs. 10,000 and multiples of Rs. 10,000 thereafter. Auction will be conducted by Reserve Bank of India at Mumbai Office (Fort) on December 7,2010.

Interested persons may submit bids in the prescribed form obtainable from the Chief General Manager, Reserve Bank of India, Mumbai Office, Fort, Mumbai and deposit them in sealed covers superscribed "Tender for Ten year Madhya Pradesh Government Stock-Auction dated December 7, 2010 in the tender box at RBI, Fort, Mumbai on December 7,2010. By 10.30 a.m.

The yield per cent per annum expected by the bidder should be expressed up to two decimal points. An investor can submit more than one bid at different rates of yield but a separate application should be submitted for each bid. The aggregate amount of bids submitted by a person should not exceed the notified amount.

The result of auction will be displayed at the Offices of Reserve Bank of India, Fort, Mumbai December 7,2010. Successful bidders should deposit the price amount of Stock covered by their bids by means of a Bankers' cheque or Demand Draft payable at RBI, Mumbai (Fort)/ Nagpur on December 8,2010 before the close of banking hours.

The Madhya Pradesh Government Stock will bear interest at the rate determined by RBI at the auction. Interest will be paid half yearly on JUNE 08 and December 08. The Stock will be governed by the provisions of Public Debt Act.1944 and the rules made thereunder.

Terms and conditions for issue of Madhya pradesh Government Securities are contained in Finance Department's Notification No.L-1/2/2010/B-7-DMC/IV/1208 dated December 3,2010. published in the extraordinary issue of "Madhya Pradesh Gazette" of the date, copies of which with the application form are obtainable at the Receiving Offices mentioned above.

2. The following review of the financial and budgetary position of the Government of Madhya Pradesh is published for the information of the intending investors.

Revenue Position

The revenue receipts and expenditure on revenue account and the revenue surplus/deficit for the years 2009-10 and 2010-11 are as follows:—

	Revised Estimate 2009-10	Budget Estimate 2010-11
Revenue Receipts	41,416.390	51,570.590
Revenue Expenditure	35,896.900	41,863.260
Revenue Surplus (+)/Deficit(-)	+5,519.490	+9,707.330

(Rs. in crore)

The above figures include expenditure on Revenue Account on development Schemes.

Debt Position

The debt position of the Government of Madhya Pradesh as on 31st march, 2010 was as follows:—

Nature of Debt	(Rs. in crores) Amount of Debt as on 31-3-2010 (Actual)
Market Loans	21620.29
Loans from L.I.C.	128.13
Loans from G.I.C.	13.79
Loans from National Agricultural Credit Fund of the NABARD	2844.27

Loans from N.C.D.C.	40.57
Compensation and other Bonds (Including Power Bonds)	2494.82
Loans from OTHER INSTITUTION	532.16
Loans and advances from the Central Govt.	10378.95
Provident Fund, etc.	8450.61
Loans from SBI & Other Banks	121.48
Small Saving Loans	14666.25
Total Debt	<u>61291.32</u>

The loans taken from the financial institutions (NABARD, LIC, GIC, NCDC etc.) have been utilised for creation of permanent asstes and strengthening/development of Co-operative institutions.

Loans from the Government of India.—These are loans sanctioned by the Government of India from time to time for capital expenditure on productive schemes such as Agriculture Schemes, Irrigation and Power Projects, community Development Projects etc. and for creation of other permanent assets.

Provident Fund.—This comprises the provident fund balances of Government servants.

Deposits bearing interest.—This comprises accumulation in the Fund out of subscriptions made to it by Government servants under Government Servant Family Benfit Fund Scheme and deposits kept by other institutions.

Assets of the Government

All the loans taken from the Government of India or from other sources have been mainly utilised for development of the State and for the creation of remunerative assets, such as construction of irrigation dams, canals, tanks, wells etc., improvement of communications, transport services, investment in the share capital of Co-operative Banks and other co-operative Societies, investment in Commercial Undertaking, such as Madhya Pradesh State Road Transport Corporation, Madhya Pradesh State Industries Corporation, etc., for the grant of loans to third parties like cultivators, local bodies, etc., who will repay the loan with interest in instalments and loans to the Madhya Pradesh State Electricity Board. Though no actual assessment has been made of the value of the physical assets of the State Government, it can be safely assumed that it far exceeds the State's outstanding liabilities.

Sd/-
(ASHWINI KUMAR RAI)
Secretary
to the Government of Madhya Pradesh
Finance Department.