

First-ever state loan auction : Punjab to raise Rs.60 crore

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The Government of Punjab has announced the sale of 10 year stock to the public by auction for an aggregate amount of Rs.60 crore. The auction will be conducted by the Reserve Bank of India at its Chandigarh Office on January 13, 1999. The auction is the first of its kind for the State Governments as they have so far been raising their market borrowing through conventional floatations with pre-announced coupon rates. At the meeting of the Finance Secretaries of State Governments held in Mumbai by RBI on November 8, 1997 State Governments were offered a facility to raise 5 to 35 per cent of their market borrowing allocation in a flexible manner as regards timing, maturity and rate of interest. Accordingly, Government of Punjab has decided to raise Rs. 60 crore during the year 1998-99 by availing of the facility.

**Alpana Killawala
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