

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

New Delhi, dated: September 27, 2021

(EXTRAORDINARY PART I--Section-1)
NOTIFICATION

Auction for Sale (Issue/re-issue) of Government Securities (GS)

F.No.4(3)-B(W&M)/2021: Government of India hereby notifies sale (Issue/re-issue) of the following Government Securities:

Name of the Security	Date of Original Issue	Original Tenure (yy-mm-dd)	Date of Maturity	Auction Basis	Auction Method	Notified Amount (In ₹ Crore)
New GoI FRB 2028	Oct. 04, 2021	07-00-00	Oct.04, 2028	Spread	Uniform	4,000
6.10% GS 2031	July 12, 2021	10-00-00	July 12, 2031	Price	Uniform	13,000
6.76% GS 2061	Feb.22, 2021	40-00-00	Feb.22, 2061	Price	Multiple	7,000

GoI will have the option to retain additional subscription up to ₹2,000 crore each against one or more security/ies mentioned above. The sale will be subject to the terms and conditions spelt out in this notification (called 'Specific Notification'). The Securities will be sold through Reserve Bank of India, Mumbai Office, Fort, Mumbai- 400 001 as per the terms and conditions specified in the General Notification F.No.4(2)-W&M/2018, dated March 27, 2018 issued by Government of India.

Allotment to Non-competitive Bidders

2. The Government Securities 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

3. The auction will be conducted by Reserve Bank of India, Mumbai Office, Fort, Mumbai-400 001 on **October 01, 2021**. Bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on **October 01, 2021**. The non-competitive bids should be submitted between **10.30 a.m. and 11.00 a.m.** and the competitive bids should be submitted between **10.30 a.m. and 11.30 a.m.**

When Issued Trading

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

Date of issue and payment for the Securities

5. The result of the auction shall be displayed by the Reserve Bank of India on its website (www.rbi.org.in) on **October 01, 2021**. The payment by successful bidders will be on **October 04, 2021** i.e. the **date of issue/re-issue**. The payment for the Securities will include accrued interest on the nominal value of the Securities allotted in the auction from the date of original issue/last coupon payment date to the date up to which accrued interest is due as mentioned in the table in para 6.

Payment of Interest and Re-payment of Securities

6. Interest will accrue on the nominal value of the Securities from the **date of original issue/last coupon** payment and will be paid half yearly. The Securities will be **repaid at par** on date of maturity.

Name of the Security	Coupon rate (%)	Date of Last Coupon payment	Date up to which accrued interest is due	Date of Coupon payments (month/date)
New GoI FRB 2028	Variable#	New Security	New Security	Apr. 04 and Oct.04
6.10% GS 2031	6.10	New Security	October 03, 2021	Jan.12 and July 12
6.76% GS 2061	6.76	August 22, 2021	October 03, 2021	Feb. 22 and Aug. 22

#: New GoI FRB 2028:

(i) The interest at a variable rate will be paid every half-yearly. (ii) The Floating Rate Bond will carry the coupon, which will have a base rate, equivalent to the average of the Weighted Average Yield (WAY) of last 3 auctions (from the rate fixing day) of 182 Day T-Bills (Please see Annex for illustration), plus a fixed spread, to be decided by way of auction mechanism. The spread will be fixed throughout the tenure of the bond. The implicit yields will be computed by reckoning 365 days in a year. (iii) In the event of Government of India 182-day Treasury Bill auctions being discontinued during the currency of the Bonds, the base rate of the coupon will be the average of Yield to Maturity (YTM) rates prevailing for six month Government of India Security/ies as on the last three non-reporting Fridays prior to the commencement of the semiannual coupon period. In case particular Friday/s is/are holiday/s, the yield to maturity rates as on the previous working day shall be taken. (iv) The base rate for the first coupon payment for period ending April 03, 2022 shall be **3.40 per cent per annum**. The rate of interest payable half yearly on the Bonds during the subsequent years shall be announced by the Reserve Bank of India before the commencement of the relative semi-annual coupon period

By Order of the President of India


(Ashish Vachhani)

Joint Secretary to the Government of India

Illustration: Base Rate payable on Floating Rate Bonds 2028

Calculation of base rate for coupon payment for period ending

S.No.	182 DTB auction date	Weighted Average Price	Weighted Average Yield (%)
1.	Date X	98.3330	3.3998
2.	Date Y	98.3391	3.3872
3.	Date Z	98.3262	3.4139
			10.2009

@ annualized for 365 day year

Base Rate = $(10.2009 / 3) = 3.4003$

Rounded off to two decimal places = 3.40 per cent per annum

Annex

**Scheme for Non-competitive Bidding Facility in
the Auctions of Government Securities**

I. **Scope:** With a view to encouraging wider participation and retail holding of Government securities, it is proposed to allow participation on “non-competitive” basis in *select* auctions of dated Government of India (GoI) securities. Accordingly, non-competitive bids *up to 5 percent* of the notified amount will be accepted in the auctions of dated securities. The reserved amount will be **within** the notified amount.

II. **Eligibility:** Participation on a non-competitive basis in the auctions of dated GOI securities will be open to investors who satisfy the following:

1. 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.
2. make a single bid for an amount not more than ₹ two crore (face value) per auction
3. submit their bid *indirectly* through any *one* bank or 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, companies, corporate bodies, institutions, provident funds, trusts, and any other entity as may be prescribed by RBI. The minimum amount for bidding will be ₹ 10,000 (face value) and thereafter in multiples in ₹ 10,000 as hitherto for dated stocks.

IV. **Other Operational Guidelines:**

1. The retail investor desirous of participating in the auction under the Scheme would be required to maintain a constituent subsidiary general ledger (CSGL) account with the bank or PD through whom they wish to participate. Under the Scheme, an investor can make only a single bid in an auction of a dated security. 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 for each security in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) System. Except in extraordinary circumstances such as general failure of the Reserve Bank of India Core Banking Solution (E-Kuber) System, non-competitive bid in physical form will not be accepted.