

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

New Delhi, dated November 11, 2016

NOTIFICATION

Auction for Sale (Re-issue) of Government of India Floating Rate Bonds 2024

F. No.4 (3) W&M/2016: Government of India hereby notifies sale (re-issue) of Floating Rate Bonds (hereinafter called 'the Bonds') for an aggregate amount of ₹ 3,000 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 Bonds 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 **price based auction using multiple price auction method.**

Allotment to Non-competitive Bidders

3. The Bonds 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 **November 18, 2016**. Bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on **November 18, 2016**. 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 noon.

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 Floating Rate Bonds will be of **eight** years tenure commencing from **November 07, 2016**. The Bonds will be repaid at par on **November 07, 2024**.

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 **November 18, 2016**. The payment by successful bidders will be on **November 21, 2016**. i.e. the date of re-issue. The payment for the Stock will include accrued interest on the nominal value of the Stock allotted in the auction from the date of original issue i.e., **November 07, 2016 to November 20, 2016.**

Interest

8. (i) Interest at a rate of 6.51% will accrue from November 07, 2016 (date of original issue) and will be paid on May 07, 2017. For the subsequent periods, the interest at a variable rate will be paid every half-yearly on **November 07 and May 07**.

(ii) The variable coupon rate for payment of interest on subsequent semi-annual period shall be the average rate rounded off up to two decimal places, of **the implicit yields at the cut-off prices of the last three auctions of Government of India 182 day Treasury Bills, held up to the commencement of the respective semi-annual coupon period.** 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 coupon rate 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 semi-annual 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 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

(Prashant Goyal)

Joint Secretary to the Government of India