

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

New Delhi, dated April 27, 2018

**NOTIFICATION
Auction for Sale (Issue/Re-issue) of Government Stock (GS)**

F.No.4(6)W&M/2018: Government of India(Gol) hereby notifies sale (issue/re-issue) of the following Government Stocks:

Name of the Security	Date of Original Issue	Tenure (yy-mm-dd)	Date of Maturity	Base	Method	Notified Amount (in ₹ Crore)
6.65% GS 2020	Apr 09, 2018	02-00-00	Apr 09, 2020	Price	Multiple	2000
7.59% GS 2026	Jan 11, 2016	10-00-00	Jan 11, 2026	Price	Multiple	3000
New Gol FRB 2031	May 07, 2018	13-07-00	Dec 07, 2031	Spread	Multiple	3000
6.57% GS 2033	Dec 05, 2016	17-00-00	Dec. 05, 2033	Price	Multiple	1000
7.06% GS 2046	Oct 10, 2016	30-00-00	Oct 10, 2046	Price	Multiple	3000

Subject to the limit of Rs 12000 Cr, being total notified amount, Gol will have the option to retain additional subscription up to Rs 1000 Cr each against any one or more of the above securities. The sale will be subject to the terms and conditions spelt out in this notification (called 'Specific Notification'). The Stock 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 Stock 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 **May 04, 2018**. Bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on **May 04, 2018**. 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

4. The Stock 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 stock

5. The result of the auction shall be displayed by the Reserve Bank of India at its Fort, Mumbai Office on **May 04, 2018**. The payment by successful bidders will be on **May 07, 2018** i.e. the date of issue/re-issue. *The payment for the stocks will include accrued interest on the nominal value of the Stock allotted in the auction from the date of original issue / last coupon payment date to the date upto which accrued interest is due as mentioned in the table in para 6.*

Payment of Interest and Re-payment of Stock

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

Name of the Security	Coupon rate (%)	Date of Last Coupon payment	Date upto which accrued interest is due	Date of Coupon payments (month / date)
6.65% GS 2020	6.65	New Stock	Apr 09 – May 06, 2018	Oct 09 and Apr 09
7.59% GS 2026	7.59	Jan 11, 2018	May 06, 2018	July 11 and Jan 11
New Gol FRB 2031	Variable*	New Stock	New Stock	Jun 07 and Dec 07
6.57% GS 2033	6.57	Dec 05, 2017	May 06, 2018	Jun 05 and Dec 05
7.06% GS 2046	7.06	April 10, 2018	May 06, 2018	Oct 10 and Apr 10

* New Gol FRB 2031*

(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 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 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 base rate for the first coupon payment for period ending June 07, 2018 shall be 6.33 per cent. 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

Illustration: Base Rate payable on Floating Rate Bonds 2031

Calculation of base rate for the first coupon payment for period ending June 07, 2018

S.No.	182 DTB auction dated	Weighted Average Price	Weighted Average Yield (%)
1	April 25, 2018	96.91	6.3971
2	April 18, 2018	96.95	6.3038
3	April 11, 2018	96.96	6.2878
	Total		18.9887

@ annualized for 365 day year

Base Rate = $(18.9887 / 3) = 6.3296$

Rounded off to two decimal places = 6.33 per cent per annum