

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

New Delhi, dated: **June 15, 2020**

**(EXTRAORDINARY PART I--Section-1)
NOTIFICATION**

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

F.No.4(5)-B(W&M)/2020: Government of India hereby notifies sale (Issue/re-issue) of the following Government Stocks:

| Name of the Security | Date of Original Issue | Original Tenure (yy-mm-dd) | Date of Maturity | Auction Basis | Auction Method | Notified Amount (in ₹ Crore) |
|----------------------|------------------------|----------------------------|------------------|---------------|----------------|------------------------------|
| 5.09% GS 2022 | Apr. 13, 2020 | 02-00-00 | Apr. 13, 2022 | Price | Multiple | 3,000 |
| 5.79% GS 2030 | May 11, 2020 | 10-00-00 | May 11, 2030 | Price | Multiple | 18,000 |
| New Gol FRB 2033 | June 22, 2020 | 13-03-00 | Sep. 22, 2033 | Spread | Multiple | 4,000 |
| 7.19% GS 2060 | Apr. 13, 2020 | 40-05-02 | Sep. 15, 2060 | Price | Multiple | 5,000 |

Government of India will have the option to retain additional subscription up to ₹ 2,000 crore 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 **June 19, 2020**. Bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on **June 19, 2020**. 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 Stocks 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 **June 19, 2020**. The payment by successful bidders will be on **June 22, 2020** 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 up to 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 Stocks 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) |
|----------------------|-----------------|-----------------------------|--|--------------------------------------|
| 5.09% GS 2022 | 5.09 | New Stock | June 21, 2020 | Oct.13 and Apr.13 |
| 5.79% GS 2030 | 5.79 | New Stock | June 21, 2020 | Nov.11 and May 11 |
| Gol FRB 2033 | Variable* | New Stock | New Stock | Sep. 22 and Mar. 22 |
| 7.19% GS 2060 | 7.19 | New Stock | June 21, 2020 | Sep.15 and Mar.15 |

* New Gol FRB 2033:

(i) The interest at a variable rate will be paid 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 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 the period ending September 21, 2020 shall be 3.43 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


(Rajat Kumar Mishra)

Joint Secretary to the Government of India

Illustration: Base Rate payable on Floating Rate Bonds 2033

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 | 98.2914 | 3.4862 |
| 2. | Date Y | 98.3219 | 3.4229 |
| 3. | Date Z | 98.3420 | 3.3812 |
| | | | 10.2903 |

annualized for 365 day year

Base Rate = $(10.2903/3) = 3.4301$

Rounded off to two decimal places = 3.43 per cent per annum