प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001
Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001
फोन/Phone: 022- 22660502
वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email: helpdoc@rbi.org.in

July 13, 2020

# Auction of Government of India Dated Securities

Government of India (GOI) has announced the sale (re-issue) of **four** dated securities for a notified amount of **₹ 30,000** cr as per the following details:

| Sr No | Security | Date of repayment | Notified Amount (in ₹ crore) | GoI specific Notification | Auction Date | Settlement date |
|---|---|---|---|---|---|---|
| 1 | 5.09% GS 2022 | April 13, 2022 | 3,000 | F.No.4(5) W&M/2020 dated July 13, 2020 | July 17, 2020 (Friday) | July 20, 2020 (Monday) |
| 2 | 5.79% GS 2030 | May 11, 2030 | 18,000 | | | |
| 3 | GOI FRB 2033* | September 22, 2033 | 4,000 | | | |
| 4 | 7.19% GS 2060 | September 15, 2060 | 5,000 | | | |
| | **Total** | | **30,000** | | | |

**The base rate for the first coupon payment for the period ending September 21, 2020 shall be 3.43 per cent per annum.*

2. GoI will have the option to retain additional subscription up to **₹ 2000** crore against each security mentioned above.

3. The securities will be sold through Reserve Bank of India Mumbai Office, Fort, Mumbai - 400001, The sale will be subject to the terms and conditions spelt out in the 'Specific Notification' mentioned above and the General Notification F.No.4(2)–W&M/2018, dated March 27, 2018.

4. Both competitive and non-competitive bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system on **July 17, 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**. The result will be announced on the same day and payment by successful bidders will have to be made on **July 20, 2020** (**Monday**).

5. Bids for underwriting of the Additional Competitive Underwriting (ACU) portion can be submitted by 'Primary Dealers' from **9.00 a.m**. up to **9.30 a.m**. on **July 17, 2020** (**Friday**) on the Reserve Bank of India Core Banking Solution (E-Kuber) system.

6. The Stocks will be eligible for "When Issued" trading for a period commencing from **July 14, 2020 – July 17, 2020.**

7. Operational guidelines for Government of India dated securities auction and other details are given in the **Annex**.

**Press Release: 2020-2021/52**

**Ajit Prasad**
Director

**ANNEX**

## Type of Auction

1. The auction will be a multiple price-based auction i.e. successful bids will get accepted at their respective quoted price for the security.
2. The auction will be **yield based** for new security and **price based** for securities which are re-issued.
3. In case of a Floating Rate Bonds (FRB), the auction will be spread-based for new security and price based for securities which are reissued. At the time of placing bids for new FRB, the spread should be quoted in percentage terms.

## Minimum Bid Size

4. The Stocks will be issued for a minimum amount of ₹10,000/- (nominal) and in multiples of ₹10,000/- thereafter.

## Non-Competitive Segment

5. In all the auctions, Government Stock up to 5% of the notified amount of sale will be allotted to the eligible individuals and institutions under the Scheme for Non-competitive Bidding Facility in the Auctions of Government Securities.
6. Each bank or Primary Dealer (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 in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system.
7. Allotment under the non-competitive segment to the bank or PD will be at the weighted average rate of yield/price of the successful bids that will emerge in the auction on the basis of the competitive bidding.

## Submission of Bids

8. Both competitive and non-competitive bids for the auction should be submitted in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system.
9. Bids in physical form will not be accepted except in extraordinary circumstances.

## Business Continuity Plan (BCP)-IT failure

10. Only in the event of system failure, physical bids will be accepted. Such physical bids should be submitted to the Public Debt Office, Mumbai through (email; Phone no: 022-22632527, 022-22701299) in the prescribed form which can be obtained from RBI website (https://www.rbi.org.in/Scripts/BS_ViewForms.aspx) before the auction timing ends.
11. In case of technical difficulties, Core Banking Operations Team should be contacted (email; Phone no: 022-27595414, 022-27595666).
12. For other auction related difficulties, IDMD auction team can be contacted (email; Phone no: 022-27595688).

**Multiple Bids**

13. An investor can submit more than one competitive bid in electronic format on the Reserve Bank of India Core Banking Solution (E-Kuber) system.
14. However, the aggregate amount of bids submitted by a person in an auction should not exceed the notified amount of auction.

**Decision Making Process**

15. On the basis of bids received, the Reserve Bank will determine the minimum price up to which tenders for purchase of Government Stock will be accepted at the auctions.
16. Bids quoted at rates lower than the minimum price determined by the Reserve Bank of India will be rejected.
17. Reserve Bank of India will have the full discretion to accept or reject any or all bids either wholly or partially without assigning any reason.

**Issue of Securities**

18. Issue of securities to the successful bidders will be by credit to Subsidiary General Ledger Account (SGL) of parties maintaining such account with Reserve Bank of India or in the form of Stock Certificate.

**Periodicity of Interest Payment**

19. Interest on the Government Stock will generally be paid half-yearly other than in case of securities with non-standard maturities. The exact periodicity of coupon payment is invariably mentioned in the specific notification for the issue of security.

**Underwriting of the Government Securities**

20. The underwriting of the Government Securities under auctions by the 'Primary Dealers' will be as per the "Revised Scheme of Underwriting Commitment and Liquidity Support" announced by the Reserve Bank vide circular RBI/2007-08/186 dated November 14, 2007 as amended from time to time.

**Eligibility for Repurchase Transactions (Repo)**

21. The Stocks will eligible for Repurchase Transactions (Repo) as per the conditions mentioned in Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 (Reserve Bank) Directions, 2018 as amended from time to time.

**Eligibility for 'When Issued' Trading**

22. The Stocks will be eligible for "When Issued" trading in accordance with the guidelines on 'When Issued transactions in Central Government Securities' issued by the Reserve Bank of India vide circular No. RBI/2018-19/25 dated July 24, 2018 as amended from time to time.

**Investment by Non-Residents**

23. Investments by Non-Residents are subject to the guidelines on 'Fully Accessible Route' for Investment by Non-residents in Government Securities and Investment by Foreign Portfolio Investors (FPI) in Government Securities: Medium Term Framework (MTF).