

## Annexure

### Illustration: Base rate and rate of interest payable on Floating Rate Bonds 2017 Calculation of Base Rate applicable for year ending January 1, 2003

Serial No.	Date of Auction	Cut-off Price	Implicit yield@ at cut-off price
1	17-Apr-02	94.31	6.0333
2	30-Apr-02	94.14	6.2248
3	15-May-02	93.47	6.9862
4	29-May-02	93.66	6.7692
5	12-Jun-02	93.79	6.6212
6	26-Jun-02	94.03	6.3490
<b>Total</b>			<b>38.9837</b>

$$\text{Base Rate} = \frac{38.9837}{6} = 6.4973$$

**Rounded off to two decimal places** **6.50**

**If the Spread decided in the auction is** 0.35  
(Only an example)

**Interest rate applicable for half year**  
**(July 2, 2002 to January 1, 2003)** 6.85 (Percent per annum)

@ annualised for 364 day year