

Press Release

September 15, 2025

Changes in Valuation Methodology of Floating Rate Bonds (FRBs)

FBIL publishes, on all Mumbai working days, the valuation of Floating Rate Bonds (FRBs) issued by Government of India. As per the extant computation methodology, the Last Traded Price (LTP) and Last Traded Yield (LTY) are considered as level 1 inputs.

Based on the internal deliberations and feedback from the market participants, FBIL will implement the following changes, as mentioned under Level 1 Inputs of FRB Methodology.

Level 1:

The Traded Price/YTM of the FRB will be computed based on the waterfall approach, as under:

1. VWAY and VWAP of the trades available in last 2 hours of market trading hour, if the threshold criteria of 2 or more trades (minimum volume of ₹5 Crore each) are fulfilled.
2. If the threshold criteria in (1) above are not fulfilled, the VWAY and VWAP of the entire day's trades will be the final rate.
3. In case there is only one trade in an FRB during the entire trading day, the Price/Yield of that FRB trade will be taken as the final rate for that FRB.

Desired Spread (When FRB Traded) = Traded YTM – Current Floating Rate Benchmark

Publication of FRB Valuation based on the revised methodology will come into effect from October 06, 2025.

Managing Director & CEO