

**CALCULATION OF INDEX RATIO AND SETTLEMENT CONSIDERATION FOR  
A TRADED IIB**

**Assumptions:**

- a) Bond 1.25% II GS 2023
  - b) Face Value Rs. 100
  - c) Date of Issue April 30, 2013
  - d) Date of Maturity April 30, 2023
  - e) Tenor = 10yrs
  - f) Trade date - 16.05.2013
  - g) Settlement date -17.05.2013
  - h) Clean Price at which dealt - Rs. 101.00
  - i) Real Yield at which dealt - 1.1434%
  - j) Applicable WPI April 30, 2013 =  $WPI_{Nov'12} + (30-1/30) * (WPI_{Dec'12} - WPI_{Nov'12})$   
=  $168.80 + (29/30) * (168.80-168.80)$   
= **168.80**
  - k) WPI for January 2013 = 170.30
- WPI for 17.05.13** =  $168.80 (j) + (17-1)/31 * \{(170.30 (k) - 168.80 (j))\}$   
= **169.57**
- Index Ratio (IR) for 17.05.2013** =  $\frac{WPI \text{ for } 17.05.13}{WPI \text{ for } 30.04.13}$   
=  $169.57/168.80$   
= **1.00456**

**Settlement consideration for 1.25 % II GS 2023 traded on 16.05.13 at Rs. 101.00**

Clean Price = 101 x 1.00456 (IR)		= 101.4606
Broken Period Interest	= $1.25/100 \times 17/360 \times 100$	= 0.0590
	= $0.0590 \times 1.00456 (IR)$	= 0.0593
<b>Settlement Dirty Price</b>		<b>= 101.5199</b>