

DIVERSIFY YOUR INVESTMENTS THROUGH GOVERNMENT SECURITIES AND TREASURY BILLS

Introducing for the first time Non-Competitive Bidding in Government Securities and Treasury Bills.

What is a government security?

A government security is a bond issued by Central Government of India with a promise of repayment upon maturity along with periodic coupon or interest payments. These securities are considered low-risk, since they are backed by the full faith and credit of the Government of India and default is unlikely.

Government Security can be long term (Government Bonds or Dated Securities, maturity of one year or more) or short term (Treasury Bill, maturity of less than one year).

Who Can Participate?

- Individuals
- Firms
- Companies
- Corporate Bodies
- Institutions
- Provident Funds/Trusts

Advantages of Investing in G-Sec/ T-Bill

- Risk Free
- Better returns than Fixed Deposit
- Option to invest for long/medium/short term
- Available in Demat form
- Hassle Free Investment process

How much can you invest?

Minimum Bidding Amount	Rs.10,000 and multiples of Rs.10,000	Maximum Amount (G-Sec)	Rs.2,00,00,000
Bid Limit	Single	Maximum Amount (T-Bill)	5 % of the RBI's notified amount

FAQs on Non-Competitive Bidding

1. Who can participate in the Scheme?

As the focus is on the small investors lacking market expertise, the Scheme will be open to those who do not have current account (CA) or Subsidiary General Ledger (SGL) account with the Reserve Bank of India. Any investor having Demat account, RBI approved investor category, can participate in non-competitive bidding. Participation in the Scheme of non-competitive bidding is open to any person including firms, companies, corporate bodies, institutions, provident funds, trusts and any other entity as prescribed by RBI.

Eligible investors can participate in non-competitive bidding from registered member of the Exchange.

2. Will non-competitive bidding be allowed in all dated securities & T-bills auctions?

Yes non-competitive bidding will be allowed in all dated securities and T-bills auctions. The availability of non-competitive bidding facility in an auction will be announced along with the respective press release and the information is made available on Reserve Bank's website.

A sum of 5 percent of the notified amount will be reserved for non-competitive bidding.

3. How can the eligible investors participate in the auctions?

Eligible investors can participate through registered brokers. Investors can submit their bids to registered broker, which will be submitted by brokers to Exchange through electronic platform offered by the Exchange.

Registered brokers can submit their pro/clients bid on IBBS electronic platform.

4. At what rate will the non-competitive bidders get the

allotment?

The allotment to the non-competitive segment will be at the weighted average rate of all allotments to competitive bidders in case of multiple price/yield based auction, and on cut off price in case of uniform price/yield based auction.

5. If non-competitive bidding amount is more than the amount reserved, how will the ICCL allot the non-competitive bids?

In case the aggregate amount bid is more than the reserved amount through non-competitive bidding, allotment would be made on a pro rata basis.

6. What is the minimum/ maximum bidding amount?

The minimum amount for bidding will be 100 bonds (Rs. 10,000) and thereafter in multiples of 100 bonds. The maximum amount for a single non-competitive bid should not exceed 2,00,000 bonds (Rs.2,00,00,000) in the auctions of GOI dated securities and T-bills.

7. In how many days will the investor receive the security?

The transfer of securities to the clients should be completed within five working days from the date of the auction.

8. How will the securities be issued?

RBI will issue securities only in CSGL account of ICCL. The ICCL will in turn credit the securities to the demat account of the investors.

9. How will the investor make payment for the security?

The client's broker will have to keep sufficient funds in the ICCL's account on the auction day before 10 a.m. Bids will be checked against available funds after 10 a.m., and bid against insufficient fund balance will be rejected.