



प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## Operationalisation of the Scheme of Non-Competitive Bidding in the Auction of State Development Loans

The Reserve Bank of India, in consultation with the State Governments, has decided to operationalise the [Scheme of Non-Competitive Bidding Facility in the auction of State Development Loans \(SDLs\)](#) to widen the scope for participation of retail investors in the auction of SDLs. Under the Scheme, up to 10 percent of the notified amount of SDLs will be allotted to eligible individuals and institutions subject to a maximum of one percent of the notified amount for a single bid per stock. An investor can submit only a single bid in an auction of a SDL through a bank or a Primary Dealer. The Non-Competitive Bidding Scheme will be introduced in the auctions of the SDLs from the auction dated August 25, 2009.

The Reserve Bank of India has also decided in consultation with the State Governments to introduce certain changes in bidding procedures to improving the overall efficiency in the primary market auctions of the State Governments securities. Accordingly, all competitive bids shall be submitted electronically on the Negotiated Dealing System (NDS) between 10.30 AM and 12.30 PM on the day of the auction. Persons, other than NDS members, shall route their competitive bids through an NDS member. No bids shall be accepted in physical format, except in extraordinary situations as may be specified by the Reserve bank of India. Non-Competitive bids shall be submitted electronically on the NDS between 10.30 AM and 11.30 AM on the day of the auction.

The above changes will be operational with the auctions to be held from August 25, 2009.

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