



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

बेटी बचाओ  
बेटी पढ़ाओ

RBI/2025-26/54

IDMD.RD.S390/10.18.060/2025-26

June 12, 2025

All Market Participants

Madam/Sir,

### Stripping/Reconstitution in State Government Securities

Please refer to paragraph No.1 of the [Statement on Developmental and Regulatory Policies announced on August 07, 2019](#) on the proposal to introduce stripping/reconstitution facility for State Development Loans<sup>1</sup> (SDLs), in consultation with the respective State Governments.

2. Based on consultation with the individual State Governments/Union Territories and the feedback received from market participants, it has been decided to introduce Separate Trading of Registered Interest and Principal of Securities (STRIPS) in State Government Securities (SGS). This will be in addition to stripping/reconstitution already permitted since [April 1, 2010](#) in eligible Central Government dated securities. The related notification dated May 29, 2025, published in the Official Gazette, is [enclosed](#).

### 3. Eligible securities

All fixed coupon securities issued by State Governments/Union Territories having a residual maturity of up to 14 years and minimum outstanding of ₹1,000 crore as on the day of stripping, provided that such securities are reckoned as eligible investment for the purpose of meeting Statutory Liquidity Ratio (SLR) requirements and are transferable.

### 4. Placing of Request

(a) Market Participants having an SGL account with the Reserve Bank can place requests directly in Reserve Bank of India Core Banking Solution (e-Kuber system) for stripping / reconstitution.

<sup>1</sup> State Development Loans are now known as State Government Securities.

(b) Request for stripping / reconstitution by Gilt Account Holders shall be placed with their respective custodians maintaining the CSGIL account with the Reserve Bank and the custodians, in turn, will place the request on behalf of their constituents in e-Kuber.

## **5. Nomenclature**

ISIN and nomenclature for STRIPS in SGS, will be similar to STRIPS in Central Government dated securities. An illustration in this regard is given at [Annex](#).

6. All other terms and conditions as set out in the RBI Notifications dated [October 16, 2009](#) and [April 10, 2018](#) shall apply, *mutatis mutandis*, to stripping/ reconstitution in SGS. Further, the guidelines on stripping /reconstitution of Government Securities as contained in our circular dated [March 25, 2010](#) and any other circular referred to therein, as amended from time to time, shall also apply to stripping/ reconstitution in SGS.

7. The stripping/ reconstitution in SGS shall come into effect from the date of this circular.

Yours faithfully,

(Rakesh Tripathy)  
Chief General Manager

Encl.: As above

**ISIN for STRIPS**Structure:

| I            | N |                        |  | M                                       | M | Y | Y |               |  |  |                |
|--------------|---|------------------------|--|---|---|---|---|---------------|--|--|----------------|
| Country Code |   | Issuer type/State Code |  | Month and Year of maturity of the STRIP |   |   |   | Security type |  | Subsequent Strips/Series serial number | Checksum Digit |

**Example of an SDL/SGS Principal STRIP maturing in June 2035:**

| I            | N | Y                      | Y | 0                                       | 6 | 3 | 5 | P             | 0 | 1                                      |                |
|--------------|---|------------------------|---|---|---|---|---|---------------|---|--|----------------|
| Country Code |   | Issuer type/State Code |   | Month and Year of maturity of the STRIP |   |   |   | Security type |   | Subsequent Strips/Series serial number | Checksum Digit |

**Example of an SDL/SGS Coupon STRIP maturing in June 2035:**

| I            | N | Y                      | Y | 0                                       | 6 | 3 | 5 | C             | 0 | 1                                      |                |
|--------------|---|------------------------|---|---|---|---|---|---------------|---|--|----------------|
| Country Code |   | Issuer type/State Code |   | Month and Year of maturity of the STRIP |   |   |   | Security type |   | Subsequent Strips/Series serial number | Checksum Digit |

YY: Two-digit distinct code assigned to individual State/Union Territory.

**Nomenclature for Coupon STRIPS in SGS**

STNAMESGSDDMONYYYYYC; where STNAME = State/UT Name, SGS=State Government Security, DDMONYYYYY= date of maturity of the STRIPS and C=Coupon STRIP (Illustratively, a coupon STRIP generated from, say, 7.85% MAHARASHTRA SGS 2035 maturing on June 20, 2035, would be written as **MHSGS20JUN2035C**)

**Nomenclature for Principal STRIPS in SGS**

x.xx% STNAMESGSDDMONYYYYYP; where x.xx% is the coupon of the parent security from which the principal STRIP has been generated, STNAME = State/UT Name, SGS=State Government Security, DDMONYYYYY=date of maturity of the STRIPS and P=Principal STRIP (Illustratively, a principal STRIP generated from, say, 7.85% MAHARASHTRA SGS 2035 maturing on June 20, 2035 will be written as **7.85%MHSGS20JUN2035P**)