

Important Definition and full forms for RBI Grade B

- 1.Held to Maturity (HTM):** HTM means the category of investment portfolio maintained by the banks with intention to hold securities upto maturity.
- 2.Held for Trading (HFT):** means the category of investment portfolio maintained by the banks with intention to trade in securities by taking advantage of the short- term price/interest rate movements.
- 3.Quoted Security:** it is a security for which market prices are available at exchanges / reporting platforms / trading platforms authorized by RBI / SEBI.
- 4.Rated Security:** it means a security which is subjected to a detailed credit rating exercise by a credit rating agency, which is registered with SEBI and shall carry current or valid credit rating.
- 5. Subsidiary General Ledger (SGL) Account :** A Subsidiary General Ledger (SGL) Account shall mean an **account opened and held with the Bank for holding or/and transacting in Government Securities.**
- 6. SGL bouncing:** It shall mean failure of settlement of a Government securities transaction on account of insufficiency of funds in the current account of the buyer or insufficiency of securities in the SGL / CSGL account of the seller, maintained with the Reserve Bank of India.
- 7. STRIPS(Separate Trading of Registered Interest and Principal of Securities):** STRIPS means distinct, separate securities that are created from the cash flows of a Government security and shall consist of (i) Coupon STRIPS, where the single cash flow of the STRIP represents a coupon flow of the original security; and (ii) Principal STRIP, where the single cash flow of the STRIP represents the principal cash flow of the original security,
- 8.Stripping:** It means the process of separating the cash flows associated with a regular Government security i.e., each outstanding semi-annual coupon payment and the final principal payment into separate securities, as defined in circular on Government Securities - Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- 9.Reconstitution:** It means the reverse process of stripping, where the individual STRIPS i.e., both coupon STRIPS and Principal STRIPS are reassembled to get back the original security,.
- 10.Sovereign Gold Bonds:** SGBs are government securities denominated in grams of gold. They are substitutes for holding physical gold. Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity. The Bond is issued by Reserve Bank on behalf of Government of India.
- 11. Negotiated Dealing System – Order Matching (NDS-OM):** NDS-OM is a screen based electronic anonymous order matching system for secondary market trading in Government securities owned by RBI. Presently the membership of the system is open to entities like Banks, Primary Dealers, Insurance Companies, Mutual Funds etc. i.e entities who maintain SGL accounts with RBI. These are Primary Members (PM) of NDS and are permitted by RBI to become members of NDS-OM. Gilt Account Holders which have gilt account with the PMs are permitted to have indirect access to the NDS-OM system i.e they can request their Primary Members to place orders on their behalf on the NDS-OM system

12. **Legal Tender** :Legal Tender is a coin or a banknote that is legally tenderable for discharge of debt or obligation.

13. **Currency chest**: To facilitate the distribution of banknotes and rupee coins, the Reserve Bank has authorised select scheduled banks to establish currency chests. These are storehouses where banknotes and rupee coins are stocked on behalf of the Reserve Bank for distribution to bank branches in their area of operation

14. **Soiled note**: It means a note which has become dirty due to normal wear and tear and also includes a two piece note pasted together wherein both the pieces presented belong to the same note and form the entire note with no essential feature missing.

15. **Mutilated banknote**: It is a banknote, of which a portion is missing or which is composed of more than two pieces.

16. **Imperfect banknote** : it means any banknote, which is wholly or partially, obliterated, shrunk, washed, altered or indecipherable but does not include a mutilated banknote.

