

14– 03 – 2024

News: Government Securities

- The government has completed Government Securities (G-Sec) borrowing for the current fiscal 2023-24 and it expects a dividend from the Reserve Bank of India (RBI) in Financial Year 25 (FR 25), similar to FY 24.

Government Securities (G – Secs)

- A G-Sec is a **tradable instrument issued by the Central Government or the State Governments.**
- It **acknowledges the Government's debt obligation.**
- Such securities are short term (usually called treasury bills, with original maturities of less than one year- presently issued in three tenors, namely, 91 day, 182 day and 364 day) **or long term** (usually called Government bonds or dated securities with original maturity of one year or more).
- In India, the **Central Government issues both treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities,** which are called the State Development Loans (SDLs).
- G-Secs carry **practically no risk of default and, hence, are called risk-free gilt-edged instruments.**

- Gilt-edged securities are high-grade investment bonds offered by governments and large corporations as a means of borrowing funds.