

**Settlement in respect of Government Securities Transactions-Compulsory settlement  
through Clearing Corporation of India Ltd.**

BPD.PCB. Cir. 1 / 09.11.00/ 2003-04

July 8, 2003

The Chief Executive Officers  
All Primary (Urban ) Co-operative Banks

Dear Sir / Madam,

**Settlement in respect of Government Securities Transactions-  
Compulsory settlement through Clearing Corporation of India Ltd.**

As you are aware the Reserve Bank of India has extended to all market participants the facility of settlement in Government Securities transactions over NDS - CCIL System besides the settlement under Delivery vs. Payment system. With effect from 1st April, 2003, all Government Securities transactions ( both outright and Repo ) are being settled compulsorily **through Clearing Corporation of India Ltd. ( CCIL) only.** Any transactions in Govt. securities for settlement by the banks outside the NDS-CCIL system are not being entertained by Reserve Bank of India since that date.

2. Primary (urban) co-operative banks which are not a member of NDS - CCIL system, should undertake their transactions in Government securities through gilt account / demat account maintained with Negotiated Dealing System ( NDS) member, approved for the purpose vide para 2(i) of our circular UBD. No. BR. 47 / 16.26.00/ 2001-02 dated June 7, 2002.

Yours faithfully,

**( Sudarshan Sen )  
General Manager**