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**RESERVE BANK OF INDIA  
CENTRAL OFFICE  
URBAN BANKS DEPARTMENT  
1<sup>ST</sup> FLOOR, GARMENT HOUSE  
WORLI, MUMBAI- 400 018**

RBI/2004/144

BPD.PCB.Cir. 44 / 09.29.00/2003-04

April 12, 2004

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

Dear Sir/Madam,

**Sale of Government securities allotted in the auctions for primary issues on the same day**

Please refer to our circular UBD No. POT.Cir.PCB. 39/09.29.00/2000-01 dated April 18, 2001, permitting the banks successful in auctions of Government securities to enter into contracts for sale of allotted securities on the same day, in accordance with the terms and conditions stipulated therein.

2. Currently, as you are aware, Government Securities and Treasury Bills are permitted to be traded only on T+0 or T+1 settlement basis, unless they are traded on the Stock Exchanges. Therefore it is clarified that, any sale of securities allotted in primary auctions, in terms of the above circular, should be only on a T+0 or T+1 settlement basis.

3. Please acknowledge receipt of this circular to our Regional Office.

Yours faithfully,

Sd/-

(S. Karuppasamy)  
Chief General Manager-in-Charge