

RESERVE BANK OF INDIA
CENTRAL OFFICE
INTERNAL DEBT MANAGEMENT CELL
MUMBAI 400 001.

RBI /2004-05/ 67

IDMD.PDRS. 02 /03.64.00/2004-05

July 23, 2004

To All Primary Dealers in Government Securities Market

Dear Sirs,

Success Ratio in Treasury Bill auctions for Primary Dealers

Please refer to the instructions contained in Bank's circular no. IDMC.PDRS.4881/03.64.00/ 2001-02 dated May 8, 2002 under which the method of computation of success ratio of 40% in respect of Treasury bills and dated securities auctions was indicated.

2. In the context of the increased quantum of issuance of Treasury bills under the 'Market Stabilisation Scheme', we have since reviewed the guidelines relating to success ratio requirement in consultation with the Primary Dealers Association of India. It has now been decided that success ratio requirement of 40% of bidding commitment in respect of Treasury bills auctions will be monitored on a half yearly basis. Each PD will have to achieve the required level of success ratio in each half year (April to September and October to March) separately. This will be effective from the current year, i.e., 2004-05.
3. In respect of dated securities, the existing guidelines will continue to apply.
4. Please acknowledge receipt.

Yours faithfully,

Sd/

H.R.Khan

Chief General Manager-In-Charge