

RESERVE BANK OF INDIA

www.rbi.org.in

RBI / 2004-05/148 REF. DBS. FID. No.C-6/ 01.02.00 / 2004-05

August 30, 2004

The CEOs of the all-India Term Lending and Refinancing Institutions (Exim Bank, IDBI, IDFC Ltd., IFCI Ltd., IIBI Ltd., NABARD, NHB, SIDBI, and TFCI Ltd.)

Dear Sir,

Holding of Instruments in Dematerialised Form

In terms of the circular DBS.FID.No.C-4/01.02.00/2001-02 dated August 28, 2001 (copy enclosed), the FIs were directed to make fresh investments and hold bonds, debentures, privately placed or otherwise, only in dematerialised form with effect from October 31, 2001, and convert their outstanding investments in scrip form into dematerialised form by June 30, 2002.

2. As a corollary, with a view to extending the dematerialised form of holding to equity instruments, it has been decided to permit FIs to make fresh investments in equity instruments and hold them in dematerialised form with immediate effect. All outstanding investments in equity in scrip form should be converted into dematerialised form by the end of December 2004.

3. Please acknowledge the receipt.

Yours faithfully

(Dr. K. Jayanthi Anand) Director

• ŷ ĺŠ, œ, j ĺ, 𝔅, μ, ¹¹, Ž, "Š, , ĥ ĺ ĺų́, ¬Å, j, Å, j, ¼, , , ¹¹, ĵ, ų́, ¬, ħ^{*}, ĺ ĺ Ž, "Š, , ¬, ħ Ė 1, [™], ½ ĺ ½ •, ¥, , ¹¹, [©], ^{*}, ^{*}, <u>e</u>, £ ˆ ĥ ĺ , Âuλ œ, £½, ½ ƒÅ400005 Department of Banking Supervision, Central Office, **Financial Institutions Division**, 2nd Floor, Centre 1, WTC, Mumbai- 400 005 (W → 2) 2100121 20: Dir 20196723 úM → c → 2) 2192570 ƒĺ V ¥ : scgapgopadby (2) ↔ c → c

Ref. DBS.FID.No.C-4/01.02.00/2001-02

To,

The CEOs of All India Term Lending & Refinancing Institutions.

Dear Sir,

Holding of Instruments in Dematerialised Form

In terms of the circular IECD No 15/08.15.01/2000-01 dated April 30, 2001 (copy enclosed), the FIs were directed to make fresh investments and hold Commercial Paper(CP) only in dematerialised form with effect from June 30, 2001, since the existing arrangements for dematerislised holding of CP are considered adequate and satisfactory. Outstanding investments in scrip form are also to be converted into dematerialised form by October 31, 2001.

2. As a corollary and with a view to extending the demat form of holding to other investments like bonds, debentures and equities, it has been decided to permit the FIs to make fresh investments and hold bonds, debentures, privately placed or otherwise, only in dematerialised form with effect from October 31, 2001. Outstanding investments in scrip form should also be converted into dematerialised form by June 30, 2002. Equity instruments will be permitted to be held by the FIs only in dematerialised form from a date to be notified in consultation with SEBI.

3. Please acknowledge the receipt.

Yours faithfully

(K.C.Bandyopadhyay) Chief General Manager.

Encl : As above