

May 19, 2005

**All Primary Dealers in Government Securities Market**

Dear Sirs

**Conduct of Dated Government Securities Auction under Primary Market Operations (PMO) module of PDO-NDS – Payment of Underwriting Commission**

The procedure for underwriting of primary issues of the Dated Government Securities by the Primary Dealers (PDs) has been laid down in paragraph 2.1 of our Master Circular IDMD.PDRS.05/03.64.00/2004-2005 dated October 1, 2004. In view of the operationalisation of PMO module in PDO-NDS, it is advised that PDs instead of submitting underwriting bids in physical form, should electronically bid for underwriting in the PMO module, for which provision has been made. As the system prohibits '0' amount entry, PDs which do not choose to bid for underwriting should not submit '**Nil**' bids.

2. Further, it may be noted that the underwriting commission hitherto credited to the current account of the PDs on the date of the relative auction, will now be credited on the date of settlement of auction payment.
3. Kindly acknowledge receipt.

Yours faithfully

(B. Mahapatra)  
Chief General Manager-in-Charge