

July 13, 2005

All State and District Central Co-operative Banks

Dear Sir

**Sale of Securities allotted in Primary Issues**

As per the extant instructions, the sale contract in respect of securities allotted to successful bidders in primary issues on the day of allotment, can be entered into, inter-alia, only between entities having SGL Account and settled under the Reserve Bank's DVP system.

2. It was proposed in the Annual Policy Statement for the year 2005-06 dated April 28, 2005 ([extract of paragraph 76 enclosed](#)) to permit sale of government securities allotted in primary issues with and between CSGL account holders also on the same day of allotment.

3. As proposed in the Annual Policy Statement, in order to facilitate further deepening of the Government Securities market, it has been decided with immediate effect, to permit, sale of Government Securities allotted to successful bidders in primary issues on the day of allotment, with and between CSGL constituent account holders.

4. All other instructions on sale of securities allotted in primary issues on the same day remain unchanged.

5. Please acknowledge receipt to our concerned Regional Office.

Yours faithfully,

**(C.S.Murthy)**  
**Chief General Manager In-Charge**

## **Extract of Annual Policy Statement for the year 2005-06**

**76.** At present, sale of government securities allotted in primary issues can be entered into on the same day only between entities maintaining SGL account with RBI. In order to facilitate further deepening of the government securities market, it is proposed:

- To permit sale of government securities allotted in primary issues with and between CSL account holders also on the same day.