



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2011-12/265
IDMD.DOD.No.13 /10.25.66/2011-12

November 18, 2011

To All SGL/CSGL Account holders,

Dear Sir/Madam,

Direct Access to Negotiated Dealing System-Order Matching (NDS-OM)

Please refer to our [circular IDMD.DOD.No. 5893 /10.25.66/ 2007-08 dated May 27, 2008](#) on access to NDS-OM.

2. With a view to widening the secondary market in Government Securities to more number of participants, it has been decided to extend direct access to NDS-OM to licensed Urban Co-operative Banks (UCBs) and Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SIs) falling under the purview of Section 45-I (c) (ii) of the Reserve Bank of India (RBI) Act, 1934 (i.e. NBFC-ND-SIs which carry on as their business or part of their business the activity of acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature). The financial criteria and other requirements for direct access to NDS-OM for the above entities are furnished in the **Annex**.

3. It may, however, be noted that extension of direct membership of NDS-OM to licensed UCBs and NBFC-ND-SIs [under Section 45-I (c) (ii) of the RBI Act, 1934] is subject to the comfort of the respective regulatory department of the Reserve Bank of India. Hence, all licensed UCBs and NBFC-ND-SIs which are eligible to obtain direct access to NDS-OM as per the criteria laid down in the **Annex** are advised to furnish a No-Objection Certificate from their respective regulatory departments while applying for NDS-OM membership.

Yours faithfully,

Sd/-

(Sanjay Hansda)
Director & Officer-in-Charge

Annex

Criteria for direct access to NDS-OM

1. Licensed UCBs :

- a) Current account with RBI or a funds account with one of the Designated Settlement Banks (DSBs) chosen by Clearing Corporation of India Limited (CCIL) for funds settlement.
- b) Subsidiary General Ledger (SGL) Account with RBI.
- c) Membership of Negotiated Dealing System (NDS).
- d) Indian Financial Network (INFINET) connectivity.
- e) Membership of CCIL.
- f) Minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9%.
- g) Net Non-Performing Assets (NPA) of less than 5%.
- h) Minimum net worth of Rs. 25 crore.

2. NBFC-ND-SIs [under Section 45-I-(c) (ii) of the RBI Act, 1934] :

- a) Current account with RBI or a funds account with one of the Designated Settlement Banks (DSBs) chosen by Clearing Corporation of India Limited (CCIL) for funds settlement.
- b) Subsidiary General Ledger (SGL) Account with RBI.
- c) Membership of Negotiated Dealing System (NDS).
- d) Indian Financial Network (INFINET) connectivity.
- e) Membership of CCIL.
- f) Minimum Net Owned Funds of Rs. 100 crore.
- g) Net NPAs of less than 3% for the past 3 years.
- h) Net Profit for the past 3 years.