

**RBI/ 2006-07/ 104**  
**DBOB. FSD.BC.No. 25 / 24.92.001/ 2006-07**

**August 9, 2006**

**All Scheduled Commercial Banks**  
**(Excluding RRBs)**

Dear Sir

**Guidelines for banks undertaking PD business**

Please refer to our circular DBOD. FSD.BC. No. 64/ 24.92.001/ 2005-06 dated February 27, 2006.

2. In terms of paragraphs 4 and 5 (iv) of the guidelines in our circular the banks are required to maintain separate SGL account for their PD business.

3. On a re-examination of the matter, it has been decided that it would not be necessary for banks to maintain a separate SGL account for PD business, as envisaged in the aforesaid circular. In other words, henceforth, banks undertaking PD business departmentally may maintain a single SGL account. The banks would, however, need to keep separate books of accounts internally for monitoring on an ongoing basis, maintenance of the minimum stipulated balance of Rs. 100 crore of Government Securities and for recording the transactions undertaken by the PD business.

Yours faithfully

**(P.Vijaya Bhaskar)**  
**Chief General Manager**