



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

RBI/2011-12/387

IDMD.PCD. 19 /14.03.07/2011-12

February 6, 2012

All market participants

Dear Sir/Madam

Transactions in Government Securities

Please refer to circular [IDMD.PDRS.5/10.02.01/2003-04 dated March 29, 2004](#) on the captioned subject.

2. In terms of para 3 and 4 of the aforementioned circular, sale of G-Sec already contracted for purchase is permitted and that the forward leg of a repo transaction is also treated as a 'purchase' contract. Accordingly, sale of G-Sec (on T+1 basis) that have been repoed (on T+0 basis) is permitted since the sale and the forward leg of the repo will settle on the same settlement cycle.

3. In this regard, it has now been decided to permit repo of G-Sec (on T+0 basis) that have already been contracted for sale (on T+1 basis). Participants, while undertaking such transactions, shall ensure that adequate balances are available in their SGL/CSGL accounts to ensure settlement of the transactions on the date of settlement. Any failure in settlement would attract the penal provisions as outlined vide circular [IDMD.DOD.17/11.01.01\(B\)/2010-11 dated July 14, 2010](#).

4. All other terms and conditions contained in the aforementioned circulars remain unchanged.

Yours faithfully

(K K Vohra)
Chief General Manager