

May 25, 2007

**All SGL/CSGL Account holders**

**CSGL Option on NDS – Order Matching**

Dear Sirs,

The Order Matching segment on NDS (NDS-OM) was launched in August 2005. Access to the same was initially extended to Banks and Primary Dealers and later to other NDS members, Insurance Companies, Mutual Funds and bigger Provident Funds for their proprietary deals.

2. To widen the reach of NDS-OM, access is now extended to qualified entities maintaining gilt accounts with NDS members. For the purpose of this circular 'qualified' entities would cover all entities required by law or by regulation to invest in Government Securities such as deposit taking NBFCs, Provident Funds, Pension Funds, Mutual Funds, Insurance Companies, Cooperative banks, Regional Rural Banks and Trusts etc. These entities can now place orders on NDS-OM through direct NDS-OM members viz., banks & PDs using the CSGL route. Such trades will settle through the CSGL account and current account of the NDS-OM member.

3. Though the system permits putting through CSGL trades on behalf of all gilt account holders, it is the responsibility of the respective custodians (CSGL Account holders) to exercise caution not to permit any trade on account of entities that are not 'qualified'. They may, therefore, evolve a mechanism to ensure that the gilt account holder satisfies the eligibility criteria before allowing orders to be placed on NDS-OM.

4. All other guidelines as regards maintaining of 'gilt accounts' and investments on behalf of 'gilt account' holders as applicable to NDS may be adhered to while undertaking 'constituent deals' on NDS-OM.

Yours faithfully,

(R.N. Kar)  
General Manager