

All Primary Dealers

Dear Sir

Reporting of defaults in market transactions

As you are aware, all Primary Dealers (PDs) are required to ensure that the transactions undertaken by them are settled smoothly, by ensuring maintenance of sufficient balance in the current account and SGL account. We reiterate our instructions to all the PDs that they should **strictly** ensure that there are no defaults in maintaining sufficient balances in the current and/or SGL accounts to meet their commitments arising out of transactions with other market participants or with Reserve Bank of India.

2. All PDs are also advised to ensure that whenever such defaults take place in their current accounts/SGL accounts, they should **immediately** report the details of such defaults to the Chief General Manager-in-Charge, Internal Debt Management Department, Reserve Bank of India, Central Office, Mumbai-400001.

3. All PDs are also advised to place this circular before the respective Board of Directors of their companies.

Yours faithfully

(B. Mahapatra)
Chief General Manager-in-Charge