

## **Primary Dealers' Access to Call/Notice Money Market**

**REF: No. MPD. BC.244/07.01.279/ 2003-04**

**November 5, 2003  
Kartika 14, 1925(S)**

To  
All Primary Dealers

Dear Sirs,

### **Primary Dealers' Access to Call/Notice Money Market**

Please refer to Paragraphs 62 and 63 of the Governor's statement on Mid-term Review of Monetary and Credit Policy for the year 2003-04 enclosed with his letter No. MPD. BC.241/07.01.279/2003-04 dated November 3, 2003 (copy of the paragraphs enclosed).

2. It may be recalled that following the annual policy Statement of April 2002, it was announced in July 2002 that access of PDs to borrow in call/notice money market would be gradually reduced in two stages subject to certain market developments.
3. In view of development of repo market as also to ensure a balanced development of various segments of money market, it is decided that PDs will be allowed to borrow, on average in a reporting fortnight, upto 200 per cent of their Net Owned Funds (NOF) as at end-March of the preceding financial year with effect from February 7, 2004.
4. However, any PD which has genuine difficulty in adhering to the above schedule may approach RBI for appropriate reasonable dispensation with full justification for extension of period of compliance sought.
5. To facilitate monitoring of your operations in call/notice money market on a daily basis, you are requested to continue to submit the daily return in time to the Principal Monetary Policy Adviser, MPD, RBI as per the extant practice.

Kindly acknowledge receipt.

Yours faithfully,  
**(Deepak Mohanty)**  
Adviser

Encl.: as above

**Extract from Governor's Statement on Mid-term Review of Monetary and Credit  
Policy for the year 2003-04**

*(c) Primary Dealers' Access to Call/Notice Money Market*

62. Following the annual policy Statement of April 2002, it was announced in July 2002 that access of PDs to borrow in call/notice money market would be gradually reduced in two stages subject to certain market developments. With a view to develop further the repo market as also to ensure a balanced development of various segments of money market, it is proposed that:

- With effect from February 7, 2004 PDs will be allowed to borrow, on average basis in a reporting fortnight, upto 200 per cent of their net owned funds (NOF) as at end-March of preceding financial year.

63. Any PD which has genuine difficulties in adhering to the above schedule may approach RBI for appropriate reasonable dispensation with full justification for extension of period of compliance sought.

Withdrawn w.e.f May 02, 2022