



THE CLEARING CORPORATION OF INDIA LTD.

NOTIFICATION

Securities Settlement Segment

Date: **October 6, 2005**

Notification No: **CCIL/RMD/SS/05/15**

To,
All Members,

Outright Trades on Saturdays

We draw your attention to the RBI Press Release on 'Outright Trading in G-Secs. on Saturdays' dated 23rd September, 2005, indicating that there will no Outright transaction in Government securities on Saturdays with effect from October 08, 2005.

CCIL values all the outstanding government securities daily for margining of outstanding trades of members. This is done by using an internal valuation model which involves developing a sovereign yield curve using the data of outright trades of Rs. 5 crs. or more done on T-Bills and Central Govt. Securities. Repo trades and trades done on State Govt. securities are not considered for yield curve generation.

As there will be no outright trade on Saturdays starting 08th October, 2005, CCIL has decided to value all outstanding government securities on Saturdays by using the yield curve of the previous working day.

Moreover, in regard to MTM Price computation, if there is no outright trade of Rs. 5 crs. or more in a security, the last available MTM Price is normally repeated for 6 working days in terms of Clause B(4), Chapter VII of CCIL's Regulations for Securities Segment. For the purpose of computation of 6 days, Saturdays would however continue to be treated as a working day.

This is for the information of the members.

Thanking You,

Yours faithfully,

for **The Clearing Corporation of India Limited**

Managing Director