



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

This circular has been superseded by [Repurchase Transactions \(Repo\) \(Reserve Bank\) Directions, 2018 dated July 24, 2018.](#)

RBI/2009-10/102

IDMD.DOD.No. 334/ 11.08.36/ 2009-10

July 20, 2009

All RBI Regulated Entities

Dear Sirs,

Ready Forward Contracts

A reference is invited to our circular [IDMD/ PDRS/ 4779/ 10.02.01/ 2004-05](#) dated May 11, 2005 setting out the eligible categories of entities permitted to enter into ready forward contracts (repos) in Government securities (Dated securities and treasury bills). On a review, it has now been decided that in addition to the existing categories of eligible entities, unlisted companies who have been issued special securities by the Government of India and having gilt accounts with scheduled commercial banks may be permitted to enter into ready forward contracts, subject to conditions and restrictions stipulated in our circular dated May 11, 2005.

2. Accordingly, the following categories of entities are eligible to enter into ready forward contracts (market repos and **not** repos with the RBI under the Liquidity Adjustment Facility) in the Government securities:

(a) persons or entities maintaining a Subsidiary General Ledger (SGL) account with the Reserve Bank of India, Mumbai, and

(b) the following categories of entities which do not maintain SGL accounts with the Reserve Bank of India but maintain gilt accounts (i.e. gilt account holders) with a bank or any other entity (i.e. the custodian) permitted by the Reserve Bank of India to maintain Constituent Subsidiary General Ledger Account (CSGL Account) with its Public Debt Office, Mumbai :

- i. Any scheduled bank;
- ii. Any Primary Dealer authorised by the Reserve Bank of India;
- iii. Any non-banking financial company registered with the Reserve Bank of India (other than Government companies as defined in section 617 of the Companies Act, 1956);
- iv. Any mutual fund registered with the Securities and Exchange Board of India;
- v. Any housing finance company registered with the National Housing Bank; and
- vi. Any insurance company registered with the Insurance Regulatory and Development Authority.
- vii. Any non-scheduled Urban Co-operative bank.
- viii. Any listed company, having a gilt account with a scheduled commercial bank; and
- ix. Any unlisted company which has been issued special securities by the Government of India and having gilt account with a scheduled commercial bank.

3. In addition to the conditions and restrictions stipulated in our circular dated May 11, 2005, the following restrictions will also be applicable to the eligible unlisted companies for entering into ready forward contracts:

- (a) The eligible unlisted companies can enter into ready forward transactions as the borrower of funds in the first leg of the repo contract only against the collateral of the special securities issued to them by the Government of India; and
- (b) The counterparty to the eligible unlisted companies for repo transactions should be either a bank or a Primary Dealer maintaining SGL account with the Reserve Bank.

4. All other conditions specified in our circular [IDMD/ PDRS/ 4779/ 10.02.01/ 2004-05](#) dated May 11, 2005 will continue to apply.

Yours faithfully,

(K.V. Rajan)
Chief General Manager