

**All Primary Dealers and Satellite Dealers
in the Government securities market**

March 7, 2000

IDMC.No.PDRS.3346 /10.02.01/99-2000

To,

*All Primary Dealers and Satellite Dealers
in the Government securities market*

Dear Sirs,

Ready Forward contracts

In terms of Notification No.S.O.2561 dated 27th June 1969 issued by Government of India under section 16 of the Securities Contracts (Regulation) Act, 1956 all forward contracts in securities had been banned excepting ready forward transactions specifically exempted by the Government. Government of India has now rescinded the 1969 notification and delegated powers to Reserve Bank of India under section 16 of the Securities Contracts (Regulation) Act for regulating contracts in government securities, money market securities, gold related securities and derivatives based on these securities. The copies of notifications issued by Government of India, Reserve Bank of India and Securities and Exchange Board of India in this connection are enclosed for your information.

In terms of the second proviso to the notification of the Reserve Bank of India referred to above, ready forward contracts as described in the proviso (including Reverse Ready Forward contracts), may be entered into in accordance with the terms and conditions and among the participants as specified here under:

- (a) ready forward contracts are undertaken only in Treasury Bills and dated securities of all maturities issued by the Government of India and State Governments.
- (b) ready forward contracts in the securities specified at (a) above may be entered into by a banking company, a cooperative bank or any person maintaining a Subsidiary General Ledger Account and a Current Account with RBI Mumbai, only among themselves. The list of non-bank entities currently having SGL and Current Account with Reserve Bank of India, Mumbai office is enclosed in Annexure – I
- (c) such ready forward contracts shall be settled through the Subsidiary General Ledger Accounts of the participants with Reserve Bank of India at Mumbai, only , and
- (d) no sale transaction should be put through without actually holding the securities in the portfolio.

Please acknowledge receipt.

Yours faithfully,

Sd/-
(Usha Thorat)

Chief General Manager
Encl : as above

Annexure - I

The list of non-bank entities for entering into ready forward contracts

- 1) The Discount and Finance House of India Ltd.
- 2) Gilt Securities Trading corporation Ltd.
- 3) ICICI Securities and Finance Co.Ltd.
- 4) PNB Gilts Ltd.
- 5) SBI Gilts Ltd.
- 6) Securities Trading Corporation of India Ltd.
- 7) DSP Merrill Lynch Ltd.
- 8) Ceat Financial Services Ltd.
- 9) Kotak Mahindra Capital Company (unlimited)
- 10) Birla global Finance Company Ltd.
- 11) Hoare Govett (India) Securities Ltd.
- 12) Dil Vikas Finance Ltd.
- 13) SREI International Securities Pvt. Ltd.
- 14) Tower Capital and Securities Pvt. Ltd.
- 15) Tata Finance Securities ltd.
- 16) Canbank Mutual Fund
- 17) Export Credit Guarantee Corporation of India Limited
- 18) Export Import Bank of India
- 19) General Insurance Corporation of India
- 20) GIC Mutual Fund
- 21) Indian Bank Mutual Fund
- 22) Industrial Credit & Investment Corporation of India Limited
- 23) Industrial Development Bank of India
- 24) IDBI Mutual Fund

- 25) ITC Thread Needle Mutual Fund
- 26) Life Insurance Corporation of India
- 27) National Bank for Agriculture and Rural Development
- 28) National Housing Bank
- 29) New India Assurance Company Limited
- 30) Oriental Insurance Company Limited
- 31) Reliance Capital Mutual Fund
- 32) SBI Mutual Fund
- 33) Small Industries Development Bank of India
- 34) Unit Trust of India
- 35) LIC Mutual Fund
- 36) J.M.Mutual Fund
- 37) Birla Mutual Fund
- 38) Kothari Pioneer Mutual Fund
- 39) Jardine Fleming Mutual Fund
- 40) Kotak Mahindra Mutual Fund
- 41) JP Morgan Securities India Private Limited
- 42) ABN AMRO Securities (India) Pvt. Limited
- 43) Deutsche Securities (India) Private Limited
- 44) Industrial Investment Bank of India Limited
- 45) Bank of India Mutual Fund
- 46) Sun F & C Mutual Fund
- 47) Prudential ICICI Mutual Fund
- 48) Housing Development Finance Corporation Limited
- 49) Stock Holding Corporation of India Limited
- 50) SICOM Limited
- 51) Dundee Mutual Fund
- 52) Templeton Mutual Fund

- 53) IDBI Capital Market Services Limited
- 54) Tata Trustee Company Limited A/c Tata Mutual Fund
- 55) DSP Merrill Lynch Mutual Fund
- 56) Deposit Insurance and Credit Guarantee Corporation
- 57) Industrial Finance Corporation of India
- 58) Corpbank Securities
- 59) Zurich India Mutual Fund
- 60) Alliance Capital Mutual Fund
- 61) II&FS Mutual Fund
- 62) BoB Mutual Fund
- 63) National Securities Clearing Corporation Ltd.
- 64) National Securities Depository Ltd.

Withdrawn w.e.f May 02, 2022