

NHB (ND)/DRS/ Pol-No. 57/2013-14
July 4, 2013



All Registered Housing Finance Companies (HFCs)

Dear Sirs,

Ready Forward Transaction in Government Securities and Accounting thereof

Please refer to Circulars NHB(ND)/DRS/Repo/1264/2003 dated April 23, 2003 in connection with ready forward transactions in government securities and NHB(ND)/DRS/REPO/POL/1170/2003 dated April 4, 2003 in connection with uniform accounting of repo/reverse repo transactions. The position in this regard has been reviewed and it is hereby clarified that HFCs can enter into ready forward contracts in government securities subject to the terms and conditions contained in RBI Circular IDMC/PDRS/3432/10.02.01/2002-03 dated February 21, 2003, as amended from time to time. It may be mentioned that the said circular has been modified by Circulars DBOD.No.FSC.BC.90/24.76.002/2002-03 dated March 31, 2003, IDMD/PDRS/4779/10.02.01/2004-05 dated May 11, 2005 and IDMD.DOD.No.334/11.08.36/2009-10 dated July 20, 2009.

2. Further, HFCs are advised to follow revised guidelines for accounting of repo and reverse repo transactions both in government securities and in corporate debt securities as issued by RBI vide its Circular IDMD/4135/11.08.43/2009-10 dated March 23, 2010 or any subsequent modification thereof.

Please acknowledge receipt.

Yours faithfully,


(R.S. Garg)
Executive Director