

June 9, 2005

All Non-Banking Financial Companies registered with RBI
(including Residuary Non-Banking Companies)

Dear Sirs,

**Operative instructions relating to relaxation/modification in Ready
Forward Contracts, Settlement of Government Securities Transactions
and Sale of securities allotted in Primary Issues**

Please refer to the circular IDMD.PDRS.4777/10.02.01/2004-05, 4779/10.02.01/2004-05 & 4783/10.02.01/2004-05 all dated May 11, 2005 (copy of each enclosed) addressed to all RBI regulated entities. All NBFCs/RNBCs are instructed to follow the guidelines on transactions in Government Securities as given in the enclosed circulars meticulously, wherever applicable.

2. In case of any clarifications regarding the instructions in the above mentioned circulars, NBFCs/ RNBCs are requested to contact Internal Debt Management Department, Reserve Bank of India, Central Office, Central Office Building, 16th Floor, Shahid Bhagat Singh Marg, Mumbai-400001 directly and endorse a copy of their letter to this Office.

Yours faithfully,

Sd/-
(P. Krishnamurthy)
Chief General Manager-in-Charge