

Booking of Forward Contracts Based on Past Performance
A.P.(DIR Series) Circular No.93 (April 5, 2003)

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai - 400 001

A.P.(DIR Series) Circular No.93

April 5, 2003

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Booking of Forward Contracts Based on Past Performance

Attention of authorised dealers is invited to circular No.EC.CO.FMD/453/02.03.75/2001-02 dated December 1, 2001 and paragraph 3 of A.P.(DIR Series) Circular No.63 dated December 21, 2002 on the captioned subject. Authorised dealers are permitted to offer forward contracts to their importer/exporter constituents on the basis of last 3 years average import/export performance subject to condition that forward contracts outstanding at any point of time shall not exceed 25 per cent of the eligible limit, within the cap of USD 100 million.

2. In order to facilitate large corporates with proven track record and large import/export turnover to effectively and actively manage currency risks arising out of genuine exposures, Reserve Bank on application would consider permitting higher limits for booking forward contracts on the basis of past performance without submission of documentary evidence. Such forward contracts, booked under the enhanced limit, will be on a deliverable basis.

3. Corporates desirous of availing of higher limits may forward their applications, through an authorised dealer, to the Chief General Manager, Reserve Bank of India, Exchange Control Department, Forex Markets Division, Central Office, Mumbai-400 001 (Fax No. 22611427, e-mail ecdcofmd@rbi.org.in) justifying the need for the higher limits. Details of the import/export turnover of the past three years, delayed realisations/payments during these years and existing limits, duly authenticated by the authorised dealer, may also be furnished in the enclosed format.

4. Authorised dealers may bring the contents of this circular to the notice of their constituents concerned .

5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,
G.Padmanabhan
Chief General Manager

Statement giving details of import / export
turnover, overdues etc.

Name of the constituent : _____

(Amount in USD million)

Financial Year (April-March)	Turnover		Percentage of overdue bills to turnover		Existing limit for booking of forward cover based on past performance	
	Export	Import	Export	Import	Export	Import
2002-03						
2001-02						
2000-01						