

Cancellation and Rebooking of Forward Contracts

EC.CO.FMD/ 2 / 02.03.75/2002-03.

31st July 2002.

All Authorised Dealers in Foreign Exchange

Dear Sir/Madam

Cancellation and Rebooking of Forward Contracts

Attention of Authorised Dealers is invited to our Circular No.EC.CO.FMD.790/02.03.75/ 2001-02 dated 26th March 2002 on the captioned subject.

2. With reference to para 2 of the above circular it is clarified as under:

- i) The facility of cancellation and rebooking of forward contracts should be allowed only after fixing the limit for each corporate as per Annexure I.
- ii) Banks should collect the information relating to unhedged exposures required to be submitted to us as detailed in Annexure II, from all customers on an annual basis (April to March) to start with. While unhedged exposures relating to import transactions falling due within a year would be a projected figure based on the past performance of the corporate, non-trade payments and receipts would be on actual basis.
- iii) Exposures of individual Corporates may be shown separately as an enclosure to the statement being forwarded to the Reserve Bank.

3. In view of the clarification sought for by banks, the time limit for submission of the above information for the current financial year has been extended upto 31st August 2002.

4. Please acknowledge receipt.

Yours faithfully

(G. Padmanabhan)
General Manager