

**Resurgent India Bonds - Forward Contracts – Clarification**  
**A.P. (DIR Series) Circular No.6 (July 23, 2003)**

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

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July 23, 2003

To  
All Authorised Dealers in Foreign Exchange  
Madam / Sirs,

**Resurgent India Bonds - Forward Contracts - Clarification**

Attention of authorised dealers is invited to paragraph 2 of Schedule II to Notification No. FEMA 25/RB-2000 dated May 3, 2000, which lists out the exposure for which forward cover can be offered by authorised dealers to Non-Resident Indians/Overseas Corporate Bodies.

2. As investments in Resurgent India Bonds are not covered by the above provisions and since original terms and conditions of the Resurgent India Bonds issue as prescribed in offer document, had not envisaged the availability of forward cover for the maturing bonds, banks are advised that no forward cover should be offered to Non-Resident Indians/Overseas Corporate Bodies holding Resurgent India Bonds.
3. Authorised dealers may bring the contents of this circular to the notice of their constituents concerned.
4. 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,

**Grace Koshie**  
**Chief General Manager**