

RBI/2010-11 /164

DNBS (PD) CC No. 195 / 03.10.001/ 2010-11

August 9, 2010

To,

All Non-Banking Financial Companies (NBFCs) excluding Residuary Non-Banking Companies (RNBCs)

Dear Sirs,

Participation in Currency Futures

Reserve Bank had issued guidelines to banks on trading in currency futures in recognised stock/new exchanges on August 6, 2008.

2. Accordingly, it has been decided that NBFCs may participate in the designated currency futures exchanges recognized by SEBI **as clients**, subject to RBI (Foreign Exchange Department) guidelines in the matter, **only for the purpose of hedging their underlying forex exposures**. Appropriate disclosures may be made regarding transactions undertaken in the Balance sheet.

Yours faithfully,

(Uma Subramaniam)
Chief General Manager-in-Charge