



भारतीय प्रतिभूति और विनिमय बोर्ड Securities and Exchange Board of India

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2016/67

August 04, 2016

To

All Foreign Portfolio Investors

through their designated Custodians of Securities

The Depositories (NSDL and CDSL)

Sir / Madam,

Sub:Foreign Investment in Rupee denominated bonds issued overseas by Indian Corporates

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had permitted Indian corporates to issue Rupee denominated bonds overseas within the ceiling of FPI investments in Corporate debt.RBI, vide A.P. (DIR Series) Circular No.17 dated September 29, 2015 had put in place the framework for issuance of Rupee denominated bonds overseas.
2. Accordingly, the INR 244,323 cr Corporate debt limit for FPIs shall be redefined as the Combined Corporate debt limit for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.
3. Foreign investments in Overseas Rupee denominated bonds shall now be reckoned against the Combined Corporate debt limit of INR 244,323 cr.However, these investments shall not be treated as FPI investments and hence shall not be under the purview of the SEBI (Foreign Portfolio Investor), Regulations, 2014.
4. In partial modification to Para 5 of the SEBI circular CIR/IMD/FIIC/6/2013 dated April 01, 2013, it has been decided that the entire Combined Corporate debt limit of INR 244,323 cr shall be available on tap for investment by foreign investors. All other extant terms and conditions with respect to FPI investments in Corporate debt shall continue to apply.
5. The criteria for foreign investments in Overseas Rupee denominated bonds shall be as defined by RBI from time to time.



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6. The depositories (NSDL and CDSL) shall put in place the necessary systems for receiving data on foreign investments in Overseas Rupee denominated bonds from RBI on a periodic basis.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the links "Legal Framework→Circulars" and "Info for →F.P.I" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in