



**RESERVE BANK OF INDIA
Mumbai - 400 001**

RBI/2016-17/233

A. P. (DIR Series) Circular No.31

February 16, 2017

To

All Authorised Dealer Category – I Banks

Madam/Sir

**Issuance of Rupee denominated bonds overseas – Multilateral and Regional
Financial Institutions as Investors**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to paragraph No. 4 of [A. P. \(DIR Series\) Circular No. 60 dated April 13, 2016](#) and paragraph No. 3.3.3 of [Master Direction No.5 dated January 1, 2016](#) on 'External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers' as amended from time to time about the criteria of recognized investors in the Rupee denominated bonds issued overseas.

2. In order to provide more choices of investors to Indian entities issuing Rupee denominated bonds abroad, it has been decided to also permit Multilateral and Regional Financial Institutions where India is a member country, to invest in these Rupee denominated bonds.

3. All other provisions of the aforesaid circular dated April 13, 2016 and applicable provisions of A. P. (DIR Series) Circular No. 29 dated September 29, 2015 remain unchanged. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.

4. The changes/revised instructions in respect of issuance of Rupee denominated bonds will be applicable from the date of issuance of this circular.

5. Relevant paragraphs of the [Master Direction No.5 dated January 1, 2016](#) issued by the Reserve Bank are being updated to reflect the changes.

6. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

(Deepak Kumar)
Chief General Manager