

Investment in Overseas Markets
A.P.(DIR Series) Circular No.38 (November 2, 2002)

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

A.P.(DIR Series) Circular No.38

November 2, 2002

To
All Authorised Dealers in Foreign Exchange
Madam/Sirs,

Investment in Overseas Markets

Attention of authorised dealers is invited to item (i) of paragraph 3 of A.P. (DIR Series) Circular No.40 dated April 29, 2002 in terms of which authorised dealers have been permitted to invest the undeployed FCNR(B) funds in overseas markets in long-term fixed income securities subject to the rating requirements stipulated in the A.P.(DIR Series) Circular No.19 dated January 24, 2002.

2. It has now been decided that authorised dealers may henceforth invest undeployed FCNR (B) funds in overseas markets in long-term fixed income securities rated at least AA by Standard and Poor, or Aa3 by Moody's or AA by Fitch IBCA.
3. All other instructions contained in A.P. (DIR Series) Circular No.40 dated April 29, 2002 remain unchanged.
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