

## **Investment in Overseas Market**

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

A.P. (DIR Series) Circular No.48

November 16, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

### **Investment in Overseas Market**

Attention of authorised dealers is invited to paragraph 2 of A.P. (DIR Series) Circular No. 40 dated April 29, 2002, in terms which banks have been permitted to invest upto 25 per cent of their unimpaired Tier 1 capital or USD 10 million whichever was higher in overseas money market investments and/or debt instruments.

2. With a view to accord further flexibility in funds management to banks in India it has been decided that banks may now invest upto 50 per cent (as against the existing ceiling of 25 per cent) of their unimpaired Tier 1 capital or USD 25 million (as against the existing ceiling of USD 10 million) whichever is higher in overseas money market instruments and/ or debt instruments.

3. All the other existing instructions including the limit for borrowing from overseas market remain unchanged.

4. Necessary amendments to the Foreign Exchange Management (Borrowing or lending in foreign exchange) Regulations, 2000 are being notified separately.

5. 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**