



**FOREIGN EXCHANGE LAWS**

N. A. SHAH  
**BULLETIN**

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 N. A. SHAH ASSOCIATES LLP  
Chartered Accountants



### Issuance of Rupee denominated bonds overseas framework

RBI has reviewed the framework for issuance of Rupee denominated bonds overseas ('RDBs' or 'Masala Bonds') with a view to harmonize the various elements of the External Commercial Borrowing (ECB) framework. It has been decided that any proposal of borrowing by eligible Indian entities by issuance of these bonds will be examined at the Foreign Exchange Department, Central Office, Mumbai.

The relevant revised provisions are as under:

Provision	Extant Position	Revised Position						
Maturity period	The minimum maturity for RDBs was 3 years.	Revised Maturity Period for RDBs is : <table border="1"> <thead> <tr> <th>Amount of RDBs (INR Equivalent)</th> <th>Revised Minimum Maturity</th> </tr> </thead> <tbody> <tr> <td>Up to USD 50 million</td> <td>3 years</td> </tr> <tr> <td>Above USD 50 million</td> <td>5 years</td> </tr> </tbody> </table>	Amount of RDBs (INR Equivalent)	Revised Minimum Maturity	Up to USD 50 million	3 years	Above USD 50 million	5 years
Amount of RDBs (INR Equivalent)	Revised Minimum Maturity							
Up to USD 50 million	3 years							
Above USD 50 million	5 years							
All in cost ceiling	The all-in-cost ceiling was commensurate with prevailing market conditions.	The revised all in cost ceiling is 300 basis points over the prevailing yield of the Government of India securities of corresponding maturity.						
Recognized Investors	No such exclusion was earlier mentioned.	Related entities as per IND AS 24 have been specifically excluded from the definition of Recognized Investors.						

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