



भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

CIRCULAR

SEBI/HO/IMD/FPIC/CIR/P/2017/112
September 29, 2017

To

All Foreign Portfolio Investors

through their designated Custodians of Securities

The Depositories (NSDL and CDSL)

Sir / Madam,

Subject: Foreign Portfolio Investment in Corporate debt securities

1. SEBI, vide circular SEBI/HO/IMD/FPIC/CIR/P/2016/67 dated August 04, 2016 had redefined the INR 244,323 cr Corporate debt limit for FPIs as the Combined Corporate Debt Limit (CCDL) for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.
2. RBI vide circular RBI/2017-18/64 A.P. (DIR Series) Circular No. 05 dated September 22, 2017 has decided to exclude foreign investment in rupee denominated bonds (RDB) issued overseas by Indian corporates, from the Combined Corporate Debt Limit (CCDL).
3. Accordingly, in partial modification to Para 2 & 3 of the SEBI circular dated August 04, 2016, with effect from October 03, 2017, foreign investments in RDB shall no longer be reckoned against the CCDL. Further, the CCDL shall be renamed as the Corporate Debt Investment Limits (CDIL) for FPIs. The upper limit for CDIL shall, henceforth, be stated only in Rupee terms.
4. As on September 22, 2017, foreign investments in RDB was INR 32,381 cr while the undrawn amount against RDB was INR 11,620 cr. Thus, a total of INR 44,001 cr has been reckoned against RDB within the CCDL of INR 244,323 cr. This amount shall be carved out of erstwhile CCDL and will be added to the new limit of CDIL as under:-

All figures are in INR cr

	October 02, 2017	October 03, 2017	January 01, 2018
CCDL*	244,323	0	0
CDIL	0	227,322	244,323
Sub-Limit for investment by Long Term FPIs in the infrastructure sector	NA	9,500	19,000

(*) includes RDB of INR 44,001 cr



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5. A sub-limit exclusively for investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the infrastructure sector shall be created within the overall CDIL. The term 'Infrastructure' shall be as defined under the Master Direction on External Commercial Borrowings issued by the Reserve Bank of India. However, Long term FPIs will continue to be eligible to invest in sectors other than infrastructure, as hitherto.
6. This sub-limit for Long Term FPIs shall be INR 9,500 cr with effect from October 03, 2017 and shall be enhanced to INR 19,000 cr on January 01, 2018. This sub-limit shall be available for investment on tap.
7. The sub-limit for Long Term FPIs shall include their investment in both listed and unlisted corporate debt issued by companies in the infrastructure sector. As prescribed in the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, investments by FPIs in the unlisted corporate debt securities and securitised debt instruments shall not exceed INR 35,000 cr within the extant CDIL.
8. All other extant conditions with respect to FPI investments in corporate debt securities shall continue to apply.

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,

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