

Indian Rupee Bonds on London Stock Exchange

Listing Masala Bonds in London

There are currently 16 “Masala bonds” listed on London Stock Exchange’s markets with a combined outstanding value of INR 178 billion (\$2.75 billion).

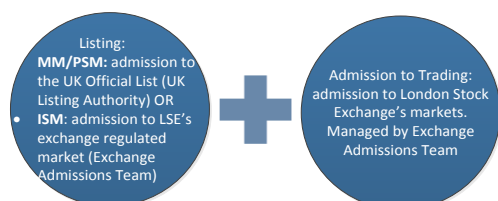
Increased primary market activity has characterized the last 18 months, with 10 INR denominated bonds listed in London by EBRD, IFC, HDFC, NTPC and Province of British Columbia Canada.

Following the Reserve Bank of India's revisions to the External Commercial Borrowing framework in April 2015, there is an increasingly wider range of entities looking at London to issue Indian rupee denominated debt securities, and a steadily growing pool of international capital ready to absorb a higher level of masala bond issuance.

Key milestones:

- **March 2017:** HDFC establishes \$750mm MTN and lists world’s largest Masala bond by an Indian corporate.
- **Sept. 2016:** British Columbia lists world’s first Masala bond by a foreign government entity.
- **Aug. 2016:** NTPC lists world’s first Indian green Masala bond and first masala bond by a quasi-sovereign issuer.
- **Jul. 2016:** HDFC lists world’s first offshore Masala bond by Indian corporate on London Stock Exchange.
- **Aug. 2015:** IFC issues in London the first INR Green Bond globally. The Rs 3.15bn proceeds were invested in Yes Bank’s onshore green bond.
- **Apr. 2015:** Reserve Bank of India revises the External Commercial Borrowing framework.
- **Nov. 2014:** First INR denominated bond listed by International Finance Corporation in London to support infrastructure development in India. The Rs 10bn 10 year Masala bond is the longest-dated paper in the offshore rupee markets.

Governmental institutions and government officials in both London and India see the benefits of offshore rupee bond issuance and a strengthened role of London as a premier hub globally for any financial activity¹. Developing an important funding avenue through Masala bond issuance is indeed a declared objective of RBI and the UK Government has recently stated that strengthening the already close economic and financial links between India and the UK is achieved through Masala bonds listing in the UK.²



Benefits of listing Debt in London

- London, more than any other financial centre, offers a long-standing globally oriented investor base.
- Admission to London Stock Exchange’s debt markets allows international governments and companies to access a deep pool of liquidity.
- Choice of high-quality listed markets: London Stock Exchange’s Main Market and Professional Securities Market (PSM) as well as the International Securities Market (ISM), are seen as ‘best in class’ among investors.
- Range of secondary market solutions, from OTC-style trade reporting to end-of-day pricing to fully electronic continuous market maker quoting.
- Debt listings in London are supported by a range of London Stock Exchange marketing and PR initiatives, tailored to suit the needs of issuers.
- London Stock Exchange and UK Listing Authority offer the highest standards of disclosure and regulatory oversight whilst remaining accessible, flexible and predictable in turnaround timings.
- UKLA has provided named contacts to support first time Indian issuers and their advisors in discussions related to the issuance of rupee bonds in London.

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Issuer	Issue Date	Amount (INR bn)	Coupon (%)	Tenor
Housing Development Finance Corporation (HDFC)	30-Mar-2017	33	6.875	3yrs
European Bank for Reconstruction and Development (EBRD)	30-Mar-2017	1.5	6.125	3yrs
International Finance Corporation (IFC)	07-Mar-2017	0.3	4.85	5yrs
European Bank for Reconstruction and Development (EBRD)	20-Jan-2017	2	5.15	3yrs
Housing Development Finance Corporation (HDFC)	09-Sep-2016	15	7	4yrs
Province of British Columbia Canada	09-Sep-2016	5	6.6	4yrs
National Thermal Power Corporation (NTPC)	10-Aug-2016	20	7.375	5yrs
Housing Development Finance Corporation (HDFC)	21-July-2016	30	7.875	3yrs
International Finance Corporation (IFC)	21-Mar-2016	2	7.1	15yrs
European Bank for Reconstruction and Development (EBRD)	04-Mar-2016	5	6.4	3yrs
International Finance Corporation (IFC)	10-Aug-2015	3.15	6.45	5yrs
International Finance Corporation (IFC)	30-Apr-2015	18	6.45	3.5yrs
International Finance Corporation (IFC)	18-Nov-2014	10	6.3	10yrs
European Bank for Reconstruction and Development (EBRD)	19-Sep-2014	3	5.75	3.5yrs
Inter-American Development Bank (IDB)	05-Sep-2014	8.5	6	3yrs
Inter-American Development Bank (IDB)	15-May-2007	1.5	8.25	10yrs

Contact us

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¹ Source: Honourable Minister of Finance Jaitley, 13 March 2015 London Stock Exchange
² Source: The Rt Hon Philip Hammond MP, Chancellor of the Exchequer, 1 August 2016