



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2021-22/44
A.P. (DIR Series) Circular No. 05

May 31, 2021

To,
All Authorized Persons

Madam / Sir

Investment by Foreign Portfolio Investors (FPI) in Government Securities: Medium Term Framework (MTF)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, *vide* [Notification No. FEMA. 396/2019-RB dated October 17, 2019](#), as amended from time to time and the relevant directions issued thereunder.

2. A reference is also invited to the following directions issued by the Reserve Bank:

- [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#);
- [Circular No. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020](#);
- [A.P. \(DIR Series\) Circular No. 30 dated April 15, 2020](#); and
- [A.P. \(DIR Series\) Circular No. 14 dated March 31, 2021](#).

3. Investment Limits for FY 2021-22

- The limits for FPI investment in Government securities (G-secs) and State Development Loans (SDLs) shall remain unchanged at 6% and 2% respectively, of outstanding stocks of securities for FY 2021-22.
- As hitherto, all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR) in terms of [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#).
- The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – 'General' and 'Long-term' – shall be retained at 50:50 for FY 2021-22.
- The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDLs.

4. Accordingly, the revised limits (in absolute terms) for the different categories, including the limits for corporate bonds announced, *vide* [A.P. \(DIR Series\) Circular No. 14 dated March 31, 2021](#), shall be as under (Table 1):

Table - 1: Investment limits for FY 2021-22						
<i>all figures in ₹ Crore</i>						
	G-Sec General	G-Sec Long Term	SDL General	SDL Long Term	Corporate Bonds	Total Debt
Current FPI limits ^	2,34,531	1,03,531	67,630	7,100	5,41,488	9,54,280
Revised limit for the HY Apr 2021-Sept 2021	2,43,914	1,12,914	76,766	7,100	5,74,263	10,14,957
Revised limit for the HY Oct 2021-Mar 2022	2,53,298	1,22,298	85,902	7,100	6,07,039	10,75,637

^ as on March 31, 2021

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully

(Dimple Bhandia)
Chief General Manager