RBI/2012-13/530

To

All Category – I Authorised Dealer Banks

Madam / Sir,

Foreign investment in India by SEBI registered Long term investors in
Government dated Securities

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to
Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by
a Person Resident outside India) Regulations, 2000 notified vide Notification No.
FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, in terms of
which SEBI registered Foreign Institutional Investors (FIIs) and long term investors
may purchase, on repatriation basis Government securities and non-convertible
debentures (NCDs) / bonds issued by an Indian company subject to such terms and
conditions as mentioned therein and limits as prescribed for the same by RBI and
SEBI from time to time.

2. Attention of AD Category-I banks is also invited to A.P.(DIR Series) Circular
No.94 dated April 1, 2013 in terms of which the present limit for investments by FIIs,
QFIs and long term investors in Government securities and for corporate debt stood
at USD 25 billion and USD 51 billion respectively.

3. On a review, it has now been decided in consultation with Government of
India to enhance the limit for foreign investment in Government dated securities with
USD 5 billion to USD 30 billion with immediate effect. The enhanced limit of USD 5
billion will be available only for investments in Government dated securities by long
term investors registered with SEBI – Sovereign Wealth Funds (SWFs), Multilateral
Agencies, Pension/ Insurance/ Endowment Funds, Foreign Central Banks.
4. The operational guidelines in this regard will be issued by SEBI.

5. All other existing conditions for investment in Government securities remain unchanged.

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

7. 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 / approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager-in-Charge