



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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January 07, 2025

(Updated as on April 10, 2026)

(Updated as on February 06, 2026)

(Updated as on October 03, 2025)

(Updated as on August 12, 2025)

(Updated as on May 08, 2025)

To,

All Authorised Persons

Madam/Sir,

**Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025**

In exercise of the powers conferred under section 6, read with section 47 of the Foreign Exchange Management Act, 1999, the Reserve Bank has issued the following regulations to regulate non-resident investment in debt instruments in India:

- Foreign Exchange Management (Permissible Capital Accounts Transactions) Regulations, 2000 notified *vide* [Notification No. FEMA 1/2000-RB dated May 03, 2000](#), as amended from time to time;
- Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 notified *vide* [Notification No. FEMA 3\(R\)/2018-RB dated December 17, 2018](#), as amended from time to time;
- Foreign Exchange Management (Deposit) Regulations, 2016 notified, *vide* [Notification No. FEMA. 5\(R\)/2016-RB dated April 01, 2016](#), as amended from time to time<sup>v</sup>; and

वित्तीय बाज़ार विनियमन विभाग, केंद्रीय कार्यालय भवन, नौकी मंजिल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001. भारत

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Financial Markets Regulation Department, Central Office Building, 9<sup>th</sup> Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001. India

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए



d. 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.

2. The Reserve Bank has also been issuing necessary directions in the form of A.P. (DIR Series) Circulars under the aforesaid regulations as also directions under Section 45W of the Reserve Bank of India Act, 1934, at various times relating to non-resident investment in debt instruments in India. Such Directions issued through various circulars, as set out in [Annex – 1](#) to these Directions, have been consolidated and issued in this [Master Direction](#).

3. AD Category-I banks may bring the contents of the Master Direction to the notice of their constituents.

4. The Master Direction has been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and Section 45W of the Reserve Bank of India Act, 1934 and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager



# भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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## FINANCIAL MARKETS REGULATION DEPARTMENT

**Notification No. FMRD.FMD.11/14.01.006/2024-25 dated January 07, 2025**

### **Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025**

The Reserve Bank of India (hereinafter called the Reserve Bank) hereby issues the following Directions in exercise of the powers conferred under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 and under section 45W of the Reserve Bank of India (RBI) Act, 1934

#### **1. Short title, commencement, and applicability of the Directions**

- (i) These Directions shall be called the Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025.
- (ii) These Directions shall be applicable with immediate effect.
- (iii) These Directions shall be applicable to all transactions by eligible non-residents in debt instruments.

#### **Part – 1**

#### **2. Definitions**

- (i) In these Directions, unless the context otherwise requires:
  - (a) “**Corporate debt securities**” shall include all instruments specified in sub-paragraph – A of paragraph 1 of Schedule 1 to Foreign Exchange Management (Debt Instruments) Regulations, 2019, other than Government securities and municipal bonds as specified at clause (a) and clause (k) of that sub-paragraph, as amended from time to time.
  - (b) “**Committed Portfolio Size**” (CPS) for a Foreign Portfolio Investor (FPI) shall mean the amount allotted to that FPI under the Voluntary Retention Route.



- (c) **“Default bonds”** shall mean Non-Convertible Debentures/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal instalment in the case of amortising bond.
- (d) **“Electronic Trading Platform (ETP)”** shall have the same meaning as assigned to it in Section 2(1)(iii) of [the Electronic Trading Platforms \(Reserve Bank\) Directions, 2018 dated October 05, 2018](#), as modified from time to time;
- (e) **“Foreign Portfolio Investor (FPI)”** shall mean a person registered in accordance with the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
- (f) **“Government security”** shall mean a security as defined under section 2(f) of the Government Securities Act, 2006.
- (g) **“Long-Term FPIs”** shall mean Sovereign Wealth Funds, Multilateral Agencies, Pension / Insurance / Endowment Funds and foreign Central Banks.
- (h) **“Minor violations”** shall mean violations that are, in the considered opinion of the custodians, unintentional, temporary in nature or have occurred on account of reasons beyond the control of FPIs, and in all cases are corrected on detection.
- (i) **“Multilateral Financial Institution”**, for the purpose of these Directions, shall mean an FPI which is a Multilateral Financial Institution in which Government of India is a member.
- (j) **“Non-resident”** shall mean a person resident outside India as defined under section 2(w) of FEMA, 1999.
- (ja) **“Non-Resident Indian (NRI)”** shall mean an individual resident outside India who is a citizen of India.<sup>xxi</sup>
- (k) **“Over-the-Counter (OTC) Markets”** shall mean markets where transactions are undertaken in any manner other than on exchanges and shall include those executed on electronic trading platforms (ETPs).



- (l) **“Person resident outside India”** shall have the same meaning as assigned to it under section 2(w) of FEMA, 1999.
- (m) **“Real Estate Business”** shall have the same meaning as assigned to it under the note (6) to item no. 10.2 in the Table in Schedule – I to Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- (n) **“Recognised stock exchange”** shall have the same meaning as assigned to it in section 2(f) of the Securities Contracts (Regulations) Act, 1956.
- (o) **“Related FPIs”** shall mean ‘investor group’ as defined in Regulation 22(3) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
- (p) **“Repo”** shall have the same meaning as assigned to it in Section 45U (c) of RBI Act, 1934; and for the purpose of these Directions excludes repo conducted under the Reserve Bank’s Liquidity Adjustment Facility.
- (q) **“Retention Period”** shall mean the time period that an FPI voluntarily commits for retaining the CPS in India under the Voluntary Retention Route.
- (r) **“Reverse Repo”** shall have the same meaning as assigned to it in Section 45U (d) of RBI Act, 1934; and for the purpose of these Directions excludes reverse repo conducted under the Reserve Bank’s Liquidity Adjustment Facility.
- (s) **“Short-term Investments”** shall mean investments with residual maturity up to one year.
- (t) **“Specified securities”** shall mean Central Government securities as periodically notified by the Reserve Bank for investment under the Fully Accessible Route.
- (ii) Words and expressions used but not defined in these Directions, shall have the meaning assigned to them in FEMA, 1999, and the RBI Act, 1934.

### 3. Investment Channels



- (i) The following shall be the channels for investment in debt instruments by non-residents:
- (a) **General Route**<sup>1</sup> for investment in Government securities and corporate debt securities by FPIs subject to specified investment limits and macro-prudential limits;
  - (b) **Voluntary Retention Route**<sup>2</sup> for investments in Government securities and corporate debt securities, free of certain macro-prudential limits applicable to FPI investments in debt markets under the General Route, by FPIs that commit to remain invested for a stipulated retention period;
  - (c) **Fully Accessible Route**<sup>3</sup> for investments by non-residents in certain specified categories of Central Government securities ('specified securities') without any restriction;
  - (d) **Scheme for Trading and Settlement of Sovereign Green Bonds** issued by the Central Government by eligible foreign investors in the International Financial Services Centre (IFSC); and
  - (e) **Special Rupee Vostro Account Route** for investment in eligible instruments<sup>x</sup> by Persons Resident Outside India from the rupee surplus balance maintained in Special Rupee Vostro Accounts.<sup>vi</sup>
- (ii) Investments by Non-Resident Indians in debt instruments shall be in terms of instructions stipulated in Part – 5(B) of these Directions.<sup>xxii</sup>

## Part – 2

### 4. General Route

#### 4.1. Eligible non-residents: Foreign Portfolio Investors

#### 4.2. Eligible instruments and investment limits

Sr. No.	Eligible instruments	Investment limits
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<sup>1</sup> Introduced vide [A.P. \(DIR Series\) Circular No 19 dated October 6, 2015](#) and as amended from time to time.

<sup>2</sup> Introduced vide [A.P. \(DIR Series\) Circular No. 21 dated March 01, 2019](#), as amended from time to time.

<sup>3</sup> Introduced vide [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#), as amended from time to time.



(i)	Central Government securities (including Treasury Bills), other than those included as 'specified securities' under the Fully Accessible Route	6 per cent of the outstanding stock of Central Government securities other than those included as 'specified securities' under the Fully Accessible Route
(ii)	State Government securities	2 per cent of the outstanding stock of State Government securities
(iii)	Corporate debt securities	15 per cent of the outstanding stock of corporate bonds

Note:

(a) The corresponding absolute values of the investment limits shall be notified by the Reserve Bank for each financial year.

(b) Investments in municipal bonds shall be reckoned under the investment limit for State Government securities.

(c) Investments of rupee surplus balances in Special Rupee Vostro Account in Central Government Securities (including Treasury Bills) other than those included as 'specified securities' under the Fully Accessible Route shall be reckoned under the investment limit for these securities.<sup>vii</sup>

(d) Investments of rupee surplus balances in Special Rupee Vostro Account in non-convertible debentures/bonds and commercial papers issued by an Indian company shall be reckoned under the investment limit for corporate debt securities under the General Route.<sup>xi</sup>

(e) Investments in Central Government securities (including Treasury Bills), State Government Securities and corporate debt securities through the Voluntary Retention Route shall be reckoned under the investment limit for Central Government securities (including Treasury Bills), State Government Securities and corporate debt securities respectively under the General Route.<sup>xviii</sup>

#### 4.3. Investment in Government securities shall be in terms of the following:

- (i) **Minimum residual maturity requirement:** An FPI may invest in Central Government securities (including Treasury Bills) and State Government securities without any minimum residual maturity requirement.
- (ii) **Short-term investment limit:** Investments by an FPI in Central Government securities (including Treasury Bills) and State Government securities with



residual maturity up to one year shall not exceed 30 per cent of the total investment of the FPI in each category. The short-term investment limit shall apply on investments on an end-of-day basis.

Provided that the limit shall not apply:

- (a) If the short-term investments of an FPI consist entirely of investments made on or before April 27, 2018; and
  - (b) To investments by an FPI made between July 08, 2022 and October 31, 2022 (both dates included).
- (iii) **Security-wise limit:** Investments by FPIs and investments made through the Special Rupee Vostro Account Route, in aggregate, in any Central Government security shall not exceed 30 per cent of the outstanding stock of the security.<sup>viii</sup>
- (iv) **Concentration limit:** Investment in Central Government securities and State Government securities by an FPI (including its related FPIs) shall not exceed 15 per cent of prevailing investment limit for each category in case of long-term FPIs and 10 per cent of prevailing investment limit for other FPIs.
- (v) **Reinvestment of coupons and proceeds of sale / redemption:**
- (a) Reinvestment of coupon by FPIs in Central Government securities and State Government securities shall be reckoned within the limit for investment stipulated for Central Government securities and State Government securities, as applicable. FPIs may, however, reinvest coupons without any constraint. Such reinvestments will be added to the amount of utilisation at the time of periodic re-setting of limits.
  - (b) FPIs may reinvest the proceeds of any sale/redemption of Central Government securities and State Government securities within two working days from the date of sale/redemption (including the date of sale/redemption) irrespective of the availability of limits in the category. Any reinvestment beyond two working days shall be subject to availability of limits for that category.
- (vi) The Clearing Corporation of India Ltd. (CCIL) shall monitor the utilisation of the investment limits for FPI investment in Central Government securities and State Government securities as well as the security-wise limit for investment in Central Government securities. CCIL shall disseminate the utilisation levels of the aforesaid limits.



- (vii) The primary responsibility of complying with all applicable limits for investment in Government securities shall lie with the FPIs and custodians.

**4.4. Investment in corporate debt securities shall be in terms of the following:**

- (i) **Minimum residual maturity requirement:** An FPI may invest only in corporate debt securities with original/residual maturity of above one year.
- (ii) An FPI shall not invest in:
- (a) corporate debt securities with any optionality clause that is exercisable within a year from the date of investment;
  - (b) debt mutual fund schemes with maturity or Macaulay duration of the portfolio less than one year<sup>4</sup>;
  - (c) partly paid debt instruments; and
  - (d) amortised corporate debt instruments where the duration of the instrument is up to one year.
- (iii) [\*\*\*]<sup>i</sup>
- (iv) **Issue-wise limit:** Investment by any FPI, including investments by related FPIs, shall not exceed 50 per cent of any issue of a corporate debt security. In case an FPI, including related FPIs, had invested in more than 50 per cent of any single issue before this stipulation came into effect, vide [A.P. \(DIR Series\) Circular No. 31 dated June 15, 2018](#), the FPIs shall not make further investments in that issue until this limit is complied with.
- (v) [\*\*\*]<sup>ii</sup>
- (vi) FPI investment in unlisted corporate debt securities in the form of non-convertible debentures/bonds issued by public or private companies shall be subject to end-use restrictions on investments in real estate business, capital market and purchase of land.
- (vii) An FPI may invest in 'to be listed' corporate debt securities. If the corporate debt security is not listed within such period prescribed by Securities and Exchange Board of India (SEBI) for the purpose, the FPI shall immediately sell the corporate debt security to the issuer or to a third party. For this purpose, the terms of offer

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<sup>4</sup> The categorization of debt mutual fund schemes and meaning of the expression 'Macaulay duration of the portfolio' shall be as per the SEBI's Master Circular for Mutual Funds dated June 27, 2024, as amended from time to time.



to an FPI investing in such securities shall contain a clause requiring the issuer to immediately redeem/buyback the corporate debt security in such an eventuality.

**(viii) Exemptions**

- (a) The minimum residual maturity requirement [\*\*\*]<sup>iii</sup> and the issue-wise limit shall not apply to investments by FPIs in the following securities:
- (i) Security Receipts and debt instruments issued by Asset Reconstruction Companies;
  - (ii) Debt instruments issued by an entity under the Corporate Insolvency Resolution Process as per a resolution plan approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016; and
  - (iii) Default bonds.
- (b) The minimum residual maturity requirement shall not apply to investments by FPIs in the following securities:
- (i) Any certificate or instrument issued by a special purpose vehicle (SPV) set up for securitisation of asset/s where banks, Financial Institutions or Non Banking Financial Companies are originators; and/or
  - (ii) Any certificate or instrument issued and listed in terms of the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended from time to time.
- (c) The issue-wise limit shall not apply to investments in corporate debt securities by multilateral financial institutions.
- (ix) An FPI which proposes to acquire default bonds shall disclose to the Debenture Trustees the terms of its offer to the existing debenture holders / beneficial owners from whom it is acquiring the bonds.
- (x) Utilization of FPI investment limits in corporate debt securities shall be monitored by the depositories registered with SEBI in accordance with the applicable regulations/directions/guidelines issued by SEBI from time to time.
- (xi) The primary responsibility of complying with all applicable limits for investment in corporate debt securities shall lie with the FPIs and custodians.

**Part – 3**



## 5. Voluntary Retention Route (VRR)

### 5.1. Eligible investors: Foreign Portfolio Investors

### 5.2. Eligible instruments:

- (i) Any instrument listed under Schedule 1 to Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, *vide*, [Notification No. FEMA. 396/2019-RB dated October 17, 2019](#), other than units of domestic mutual funds or Exchange Traded Funds (ETFs) which invest less than or equal to 50 per cent in equity, as specified at 1A(d) of that schedule, and partly paid debt instruments. However, investments shall be permitted in ETFs that invest only in debt instruments.
- (ii) Repos and reverse repos, subject to the amount borrowed or lent under repo not exceeding 10 per cent of the investments by an FPI under VRR.

Provided that:

- (a) FPI investment in unlisted corporate debt securities in the form of non-convertible debentures/bonds issued by public or private companies shall be subject to end-use restriction on investment in real estate business, capital market and purchase of land.
- (b) An FPI may invest in 'to be listed' corporate debt securities. If the corporate debt security is not listed within such period prescribed by SEBI for the purpose, the FPI shall immediately sell the corporate debt security to the issuer or to a third party. For this purpose, the terms of offer to an FPI investing in such securities shall contain a clause requiring the issuer to immediately redeem/buyback the corporate debt security in such an eventuality.
- (c) An FPI which proposes to acquire default bonds shall disclose to the Debenture Trustees the terms of its offer to the existing debenture holders / beneficial owners from whom it is acquiring the bonds.

**5.3. Investment limit:** Investments under VRR shall be subject to the investment limit stipulated for FPI investments under the General Route as specified in paragraph 4.2 of these Directions. [xix](#)

#### (i) Allocation of investment limit

- (a) Allocation of investment amount to FPIs under this Route shall be made on tap and allotted on a 'first come, first served' basis or through an auction mechanism



as detailed in [Annex – 2](#). The mode of allotment shall be announced by the Reserve Bank for each tranche.

- (b) For allocation of investment amounts on tap, an FPI may apply for investment limit online to CCIL through their respective custodians.
  - (c) The maximum investment limit which can be allotted to an FPI (including its related FPIs) shall be 50 per cent of the amount offered for each allotment by tap or through auction, in case of demand for more than 100 per cent of amount offered.
- (ii) **Retention period:** The minimum retention period shall be three years or as announced by the Reserve Bank for each tranche. The retention period shall commence from the date of allotment of limit.

Provided that for an FPI that has availed additional time to invest in terms of the [A.P.\(DIR Series\) Circular No.32 dated May 22, 2020](#), the retention period for the investments (committed by it at the time of allotment of investment limit) would be reset to commence from the date that the FPI invests 75 per cent of the Committed Portfolio Size (CPS).

#### **5.4. Investments under the VRR**

- (i) An FPI shall invest at least 75 per cent of its CPS within three months from the date of allotment and remain invested to a minimum extent of 75 per cent of the CPS at all times during the committed retention period. For this purpose, investment shall include cash holdings in the Rupee accounts used for the VRR. The required investment amount shall be adhered to on an end-of-day basis.
- (ii) An FPI may, at its discretion, transfer its investments made under the General Route, if any, to the VRR.
- (iii) Custodians shall not permit any repatriation from the cash accounts of an FPI, if such transaction leads to the FPI's assets falling below the minimum stipulated level of 75 per cent of CPS during the retention period.
- (iv) Income from investments through the VRR may be reinvested at the discretion of the FPI even if such investments are in excess of the CPS.
- (v) Investments made through the VRR shall not be subject to any minimum residual maturity requirement [\*\*\*]<sup>iv</sup> or issue-wise limits applicable to corporate debt securities as specified for FPI investment under the General Route.



## **5.5. Exit provisions:**

- (i) An FPI may, at the end of the retention period, opt to:
  - (a) liquidate its portfolio and exit; or
  - (b) shift its investments to the General Route, subject to availability of limit under the General Route; or
  - (c) continue to hold its investments until maturity or sale, whichever is earlier; or
  - (d) continue the investments for an additional identical retention period. In such a case, the FPI shall convey this decision to its custodian before the end of the committed retention period. The custodian, in turn, shall report the same to CCIL.
- (ii) An FPI desiring to exit its investments, fully or partly, under the VRR prior to the end of the retention period may do so by selling its investments to another FPI or FPIs. The FPI (or FPIs) buying such investment shall abide by all the terms and conditions applicable to the selling FPI under the VRR.
- (iii) An FPI that had availed investment limit for a retention period exceeding the minimum retention period stipulated in terms of paragraph 5.3(ii) of these Directions may opt to liquidate its portfolio fully or partly and exit after the end of the said minimum retention period.[xx](#)

**5.6.** An FPI shall open one or more separate Special Non-Resident Rupee (SNRR) account(s) for investments through the VRR. All fund flows relating to investment through the VRR shall be reflected in such account(s). An FPI may open a separate security account for holding debt securities under the VRR.

**5.7.** Utilisation of limits and adherence to other requirements of the VRR shall be the responsibility of both the FPI and its custodian. Custodians shall ensure that appropriate legal documentation with FPIs are in place to enable the custodians to ensure that the Directions under the VRR are adhered to.

## **Part – 4**

### **6. Fully Accessible Route**

#### **6.1. Eligible investors:**

- (i) Foreign Portfolio Investors, Non-Resident Indians and Overseas Citizens of India.



- (ii) Any other person resident outside India, as may be notified by the Reserve Bank from time to time.

## **6.2. Eligible instruments ('specified securities'):**

- (i) All securities included under the FAR on the date of issuance of these Directions (as set out in [Annex – 3](#)); all new issuances of 5-year, 7-year and 10-year tenors by the Central Government; and any other security that the Reserve Bank may notify in this regard.
- (ii) The Reserve Bank may add new tenors or change the tenors of new securities to be designated as 'specified securities' from time to time.
- (iii) 'Specified securities', once so designated, shall remain eligible for investment under the FAR until maturity.

**6.3.** FPI investment in "specified securities" under this Route shall not be subject to any investment limit or macro-prudential controls as applicable for investments in Government securities through the General Route.

## **Part – 5**

7. Investments in Sovereign Green Bonds issued by the Government of India may be made by eligible investors in the International Financial Services Centre in India. Such investment shall be in terms of the 'Scheme for Trading and Settlement of Sovereign Green Bonds in the International Financial Services Centre in India', notified by the Reserve Bank, *vide* [CO.FMRD.FMIA.No.S242/11-01-051/2024-2025 dated August 29, 2024](#), as amended from time to time.

## **Part – 5A<sup>ix</sup>**

### **7A. Special Rupee Vostro Account Route**

**7A.1. Eligible investors:** Persons resident outside India that maintain a Special Rupee Vostro Account (SRVA) in terms of [A.P. \(DIR Series\) Circular No. 10 dated July 11, 2022](#) (hereinafter referred to as 'SRVA holders'), using the rupee surplus balance maintained in the SRVA.

**7A.2. Eligible instruments:** Central Government Securities (including Treasury Bills) and non-convertible debentures/bonds and commercial papers issued by an Indian company.



*Explanation:* “non-convertible debentures/bonds issued by an Indian company” and “commercial papers issued by an Indian company” shall mean instruments as specified respectively at paragraph 1A(b) and paragraph 1A(c) of Schedule 1 to Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified, vide, [Notification No. FEMA. 396/2019-RB dated October 17, 2019](#).<sup>xii</sup>

**7.A.3.** Investments in ‘specified securities’ included under the FAR shall be in terms of the same stipulations prescribed for FPIs in paragraph 6.3 of these Directions.

**7A.4.** Investments in Central Government securities (including Treasury Bills) other than the ‘specified securities’ included under the FAR shall be in terms of the following:

- (i) The investments shall be subject to the investment limit and stipulations specified for FPI investments under the General Route as set out in paragraph 4.2 and 4.3 of these Directions respectively.

Provided that the short-term investment limit, as set out in paragraph 4.3 (ii) of these Directions, shall not apply to investments made under the SRVA route.

- (ii) The primary responsibility of complying with all applicable limits for investment in Government securities shall lie with the SRVA holders and the AD Category – I banks where these accounts are maintained.

**7A.4.1** Investments in non-convertible debentures/bonds and commercial papers issued by an Indian company shall be in terms of the following:

- (i) The investments shall be subject to the investment limit and stipulations specified for FPI investments under the General Route as set out in paragraphs 4.2 and 4.4 of these Directions respectively.

Provided that the minimum residual maturity requirement as set out in paragraph 4.4 (i) and the issue-wise limit as set out in paragraph 4.4 (iv) of these Directions shall not apply to investments made under the SRVA route.

- (ii) The primary responsibility of complying with all applicable limits for such investments shall lie with the SRVA holders and the AD Category – I banks where these accounts are maintained.<sup>xiii</sup>



**7A.5.** The amount of consideration for purchase of eligible instruments<sup>xiv</sup> shall be paid out of the rupee surplus balance held in the SRVA and all sale/maturity proceeds and interest payments shall be credited to the same account.

**7A.6.** AD Category – I banks shall:

- (i) open separate security accounts for SRVA holders for holding all their investments in Central Government securities (including Treasury Bills). Such accounts shall be opened by the AD Category – I banks only for persons that maintain SRVAs with them;
- (i-a) facilitate opening of separate demat accounts for SRVA holders for holding all their investments in non-convertible debentures/bonds and commercial papers issued by an Indian company;<sup>xv</sup>
- (ii) facilitate SRVA holders to access Negotiated Dealing System-Order Matching (NDS-OM) Electronic Trading Platform for undertaking transactions in Central Government securities (including Treasury Bills);
- (iii) report to NDS-OM all over-the-counter transactions in Central Government securities (including Treasury Bills), undertaken by the SRVA holders outside that platform, in terms of extant guidelines;
- (iii-a) report the transactions by SRVA holders in non-convertible debentures/bonds and commercial papers issued by an Indian company to depository(ies) registered with SEBI, for reckoning them under the investment limits for corporate debt securities under the General Route;<sup>xvi</sup>
- (iv) furnish any report/information relating to these transactions in such format and within such timelines as the Reserve Bank may prescribe; and
- (v) ensure that investment by SRVA holders in eligible instruments<sup>xvii</sup> are in compliance with all applicable regulations and legal provisions.

#### **Part – 5(B)<sup>xxiii</sup>**

#### **7B. Investments by Non-Resident Indians in debt instruments**

Non-Resident Indians may invest in debt instruments as specified in subparagraphs (B) and (C) of paragraph 1 of schedule 1 to the Foreign Exchange



Management (Debt Instruments) Regulations, 2019. Such investments shall not be subject to any investment limit under these Directions.

## Part – 6

### 8. Other Facilities

A non-resident may undertake transactions in foreign exchange, interest rate and credit derivatives in terms of the following Directions:

- (i) Master Direction – Risk Management and Inter-Bank Dealings issued *vide* [FMRD Master Direction No. 1/2016-17 dated July 05, 2016](#), as amended from time to time;
- (ii) Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 issued *vide* [FMRD.DIRD.19/14.03.046/2018-19 dated June 26, 2019](#), as amended from time to time; and
- (iii) Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2022, issued *vide* [FMRD.DIRD.10/14.03.004/2021-22 dated February 10, 2022](#), as amended from time to time, read with [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022](#) on Transactions in Credit Default Swap (CDS) by Foreign Portfolio Investors – Operational Instructions, as amended from time to time.

### 9. FPI investment in Government securities in OTC Markets

- (i) An FPI may participate in the Government securities market, both primary and secondary.
- (ii) An FPI may trade in the secondary market for Government securities through the primary members of NDS-OM, including by using the NDS-OM Web module.
- (iii) **Payment of margin for transaction in Government securities:** AD Cat-I Banks may lend to FPIs in accordance with their credit risk management frameworks for the purpose of placing margins with CCIL for the settlement of Government securities transactions by FPIs.
- (iv) **Reporting of transactions in Government securities:** All OTC trades in Government securities undertaken by FPIs (except transactions undertaken using the NDS-OM web module) shall be reported to the NDS-OM platform on the trade date within three hours after the close of trading hours for the



Government securities market and in accordance with the operational guidance issued by Clearcorp Dealing Systems (India) Ltd in this regard.

Note:

- (a) Information about trades undertaken by domestic counterparties with FPIs shall be disseminated by the Clearcorp Dealing Systems (India) Ltd. after one leg of the trade is reported on the NDS-OM platform by the domestic counterparty with a suitable qualifier to indicate that the trade is awaiting counterparty confirmation.
- (b) Domestic market participants, including domestic counterparties to transactions with FPIs, shall continue to report transactions to the NDS-OM platform as per extant practice.
- (v) **Settlement of transaction in Government securities:** OTC secondary market transactions in Government securities undertaken by FPIs may be settled on T+1 or on T+2 basis. However, transactions undertaken through the NDS-OM web module shall be settled only on a T+1 basis.

**10.** Amounts of investment in Central Government securities (including Treasury Bills), State Government securities and corporate debt securities shall be reckoned in terms of the face value of securities.

**10A.** FPIs may offer Government securities and non-convertible debentures/bonds issued by an Indian company acquired in terms of these Directions as collateral to recognized Stock Exchanges in India for their transactions in exchange traded derivative contracts.<sup>xxiv</sup>

**10B.** The mode of payment for investment in eligible instruments by all non-residents and remittance/credit of sale/maturity proceeds thereof shall be in terms of paragraphs 2 and 4 of schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019.<sup>xxv</sup>

## Part – 7

### **11. Obligation to provide information sought by the Reserve Bank**

The Reserve Bank may call for information or statement or seek any clarification, which in the opinion of the Reserve Bank is relevant, from non-residents, custodians,



or any other entity involved with non-resident investment in debt instruments. Such persons, agencies and participants shall furnish such information, statement or clarification within such time, and in the manner, as specified by the Reserve Bank, from time to time.

## **12. Dissemination of data**

The Reserve Bank or any other person authorised by the Reserve Bank, may publish any anonymised data related to transactions by non-residents in debt instruments.

## **13. Violation of Directions**

- (i) Any transaction in breach of applicable investment limit or macro-prudential control shall not be accepted. Any transaction/investment in breach of applicable investment limit shall need to be reversed.
- (ii) Any violation by FPIs shall be subject to regulatory action as determined by SEBI. FPIs are permitted, with the approval of the custodian, to regularize minor violations immediately upon notice, and in any case, within five working days of the violation. Custodians shall report to SEBI all non-minor violations as well as minor violations that have not been regularised.

**14.** Investments by eligible investors under these Directions shall be governed by all other applicable provisions of FEMA, 1999, and the rules, regulations and directions issued thereunder by the Reserve Bank from time to time, unless otherwise specified.

Yours faithfully,

(Dimple Bhandia)  
Chief General Manager



**List of circulars that are consolidated**

1. [A.P. \(DIR Series\) Circular No. 25 dated October 17, 2008](#)
2. [A.P. \(DIR Series\) Circular No. 55 dated April 29, 2011](#)
3. [A.P. \(DIR Series\) Circular No. 42 dated November 03, 2011](#)
4. [A.P. \(DIR Series\) Circular No. 89 dated March 01, 2012](#)
5. [A.P. \(DIR Series\) Circular No. 135 dated June 25, 2012](#)
6. [A.P. \(DIR Series\) Circular No. 7 dated July 16, 2012](#)
7. [A.P. \(DIR Series\) Circular No. 21 dated August 31, 2012](#)
8. [A.P. \(DIR Series\) Circular No. 45 dated October 22, 2012](#)
9. [A.P. \(DIR Series\) Circular No. 80 dated January 24, 2013](#)
10. [A.P. \(DIR Series\) Circular No. 111 dated June 12, 2013](#)
11. [A.P. \(DIR Series\) Circular No. 99 dated January 29, 2014](#)
12. [A.P. \(DIR Series\) Circular No. 104 dated February 14, 2014](#)
13. [A.P. \(DIR Series\) Circular No. 118 dated April 07, 2014](#)
14. [A.P. \(DIR Series\) Circular No. 13 dated July 23, 2014](#)
15. [A.P. \(DIR Series\) Circular No. 22 dated August 28, 2014](#)
16. [A.P. \(DIR Series\) Circular No. 71 dated February 03, 2015](#)
17. [A.P. \(DIR Series\) Circular No. 72 dated February 05, 2015](#)
18. [A.P. \(DIR Series\) Circular No. 73 dated February 06, 2015](#)
19. [FMRD.DIRD.06/14.03.007/2014-15 dated March 20, 2015](#)
20. [A.P. \(DIR Series\) Circular No. 6 dated July 16, 2015](#)
21. [A.P. \(DIR Series\) Circular No. 19 dated October 6, 2015](#)
22. [A.P. \(DIR Series\) Circular No. 31 dated November 26, 2015](#)
23. [A.P. \(DIR Series\) Circular No. 55 dated March 29, 2016](#)
24. [A.P. \(DIR Series\) Circular No. 4 dated September 30, 2016](#)
25. [FMRD.DIRD.08/14.03.007/2016-17 dated October 20, 2016](#)
26. [A.P. \(DIR Series\) Circular No. 19 dated November 17, 2016](#)
27. [A.P. \(DIR Series\) Circular No. 23 dated December 27, 2016](#)
28. [A.P. \(DIR Series\) Circular No. 43 dated March 31, 2017](#)
29. [A.P. \(DIR Series\) Circular No. 1 dated July 03, 2017](#)
30. [A.P. \(DIR Series\) Circular No. 7 dated September 28, 2017](#)
31. [FMRD.DIRD.05/14.03.007/2017-18 dated November 16, 2017](#)
32. [A.P. \(DIR Series\) Circular No. 14 dated December 12, 2017](#)



33. [A.P. \(DIR Series\) Circular No. 22 dated April 06, 2018](#)
34. [A.P. \(DIR Series\) Circular No. 24 dated April 27, 2018](#)
35. [A.P. \(DIR Series\) Circular No. 26 dated May 01, 2018](#)
36. [A.P. \(DIR Series\) Circular No. 31 dated June 15, 2018](#)
37. [A.P. \(DIR Series\) Circular No. 19 dated February 15, 2019](#)
38. [A.P. \(DIR Series\) Circular No. 21 dated March 01, 2019](#)
39. [A.P. \(DIR Series\) Circular No. 22 dated March 01, 2019](#)
40. [A.P. \(DIR Series\) Circular No. 26 dated March 27, 2019](#)
41. [A.P. \(DIR Series\) Circular No. 33 dated April 25, 2019](#)
42. [A.P. \(DIR Series\) Circular No. 34 dated May 24, 2019](#)
43. [A.P. \(DIR Series\) Circular No. 18 dated January 23, 2020](#)
44. [A.P. \(DIR Series\) Circular No. 19 dated January 23, 2020](#)
45. [A.P. \(DIR Series\) Circular No. 24 dated March 30, 2020](#)
46. [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#)
47. [FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020](#)
48. [A.P. \(DIR Series\) Circular No. 30 dated April 15, 2020](#)
49. [A.P. \(DIR Series\) Circular No. 32 dated May 22, 2020](#)
50. [A.P. \(DIR Series\) Circular No. 12 dated February 26, 2021](#)
51. [A.P. \(DIR Series\) Circular No. 14 dated March 31, 2021](#)
52. [A.P. \(DIR Series\) Circular No.05 dated May 31, 2021](#)
53. [A.P. \(DIR Series\) Circular No.06 dated June 4, 2021](#)
54. [FMRD.FMID.No.05/14.01.006/2021-22 dated June 7, 2021](#)
55. [A.P. \(DIR Series\) Circular No.16 dated November 08, 2021](#)
56. [A.P. \(DIR Series\) Circular No.22 dated February 10, 2022](#)
57. [A.P. \(DIR Series\) Circular No. 01 dated April 19, 2022](#)
58. [FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022](#)
59. [A.P. \(DIR Series\) Circular No.07 dated July 07, 2022](#)
60. [FMRD.FMID.No.07/14.01.006/2022-23 dated January 23, 2023](#)
61. [FMRD.FMID.No. 04/14.01.006/2023-24 dated November 08, 2023](#)
62. [FMRD.FMID.No.03/14.01.006/2024-25 dated July 29, 2024](#)
63. [FMRD.FMD.No.06/14.01.006/2024-25 dated November 07, 2024](#)
64. [FMRD.FMD.No.01/14.01.006/2025-26 dated May 08, 2025](#)
65. [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#)
66. [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#)
67. [A.P. \(DIR Series\) Circular No. 21 dated February 06, 2026](#)



68. [A.P. \(DIR Series\) Circular No. 38 dated December 03, 2003](#)
69. [A.P. \(DIR Series\) Circular No. 53 dated December 17, 2003](#)
70. [A.P. \(DIR Series\) Circular No. 63 dated February 03, 2004](#)
71. [A.P. \(DIR Series\) Circular No. 16 dated November 11, 2005](#)
72. [A.P. \(DIR Series\) Circular No. 24 dated January 25, 2006](#)
73. [A.P. \(DIR Series\) Circular No. 08 dated August 09, 2011](#)
74. [A.P. \(DIR Series\) Circular No. 49 dated November 22, 2011](#)
75. [A.P. \(DIR Series\) Circular No. 90 dated March 14, 2013](#)
76. [A.P. \(DIR Series\) Circular No. 94 dated April 01, 2013](#)
77. [A.P. \(DIR Series\) Circular No. 28 dated August 19, 2013](#)
78. [A.P. \(DIR Series\) Circular No. 74 dated November 11, 2013](#)
79. [A.P. \(DIR Series\) Circular No. 84 dated January 06, 2014](#)
80. [A.P. \(DIR Series\) Circular No. 112 dated March 25, 2014](#)
81. [A.P. \(DIR Series\) Circular No. 140 dated June 06, 2014](#)
82. [A.P. \(DIR Series\) Circular No. 107 dated June 11, 2015](#)
83. [A.P. \(DIR Series\) Circular No. 24 dated October 29, 2015](#)
84. [A.P. \(DIR Series\) Circular No. 05 dated September 22, 2017](#)
85. [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#)



## Annex – 2

### **Auction process for allocation of investment amount under VRR**

The auction process for allotment of investment amounts under the VRR shall be as under:

- a. An FPI shall bid two variables - the amount it proposes to invest and the retention period of that investment, which shall not be less than the minimum retention period applicable for that auction.
- b. An FPI is permitted to place multiple bids.
- c. The criterion for allocation under each auction shall be the retention period bid in the auction.
- d. Bids will be accepted in descending order of retention period, the highest first, until the amounts of accepted bids add up to the auction amount.
- e. Allotment at margin (i.e., at the lowest retention period accepted), in case the amount bid at margin is more than the amount available for allotment, shall be as below:
  - i. The marginal bid shall be allocated partially such that the total acceptance amount matches the auction amount.
  - ii. In case there are more than one marginal bids, allocation shall be made to the bid with the largest amount, and then in descending order of amount bid until the acceptance amount matches the auction amount.
  - iii. In case the amount offered is the same for two or more marginal bids, the amount will be allocated equally.
- f. If an FPI has been allotted multiple bids in an auction, the CPS shall be reckoned for each bid separately.
- g. An FPI which has got CPS allocated under an auction will be eligible to participate in subsequent auction as well.



**Annex – 3**

<b>List of all 'Specified securities' included under the FAR (both outstanding and matured)</b>				
<b>S No.</b>	<b>ISIN</b>	<b>Security Description</b>	<b>Date of issue</b>	<b>Date of maturity</b>
1	IN0020180454	07.26% GS 2029	14 January 2019	14 January 2029
2	IN0020180488	07.32% GS 2024	28 January 2019	28 January 2024
3	IN0020190032	07.72% GS 2049	15 April 2019	15 June 2049
4	IN0020190362	06.45% GS 2029	07 October 2019	07 October 2029
5	IN0020190396	06.18% GS 2024	04 November 2019	04 November 2024
6	IN0020200054	07.16% GS 2050	20 April 2020	20 September 2050
7	IN0020200070	05.79% GS 2030	11 May 2020	11 May 2030
8	IN0020200112	05.22% GS 2025	15 June 2020	15 June 2025
9	IN0020200153	05.77% GS 2030	03 August 2020	03 August 2030
10	IN0020200252	06.67% GS 2050	02 November 2020	17 December 2050
11	IN0020200278	05.15% GS 2025	09 November 2020	09 November 2025
12	IN0020200294	05.85% GS 2030	01 December 2020	01 December 2030
13	IN0020210012	05.63% GS 2026	12 April 2021	12 April 2026
14	IN0020210095	06.10% GS 2031	12 July 2021	12 July 2031
15	IN0020210186	05.74% GS 2026	15 November 2021	15 November 2026
16	IN0020210194	06.99% GS 2051	15 November 2021	15 December 2051
17	IN0020210244	06.54% GS 2032	17 January 2022	17 January 2032
18	IN0020220011	07.10% GS 2029	18 April 2022	18 April 2029
19	IN0020220029	07.54% GS 2036	23 May 2022	23 May 2036
20	IN0020220037	07.38% GS 2027	20 June 2022	20 June 2027
21	IN0020220060	07.26% GS 2032	22 August 2022	22 August 2032
22	IN0020220086	07.36% GS 2052	12 September 2022	12 September 2052
23	IN0020220102	07.41% GS 2036	19 December 2022	19 December 2036
24	IN0020220136	07.10% GOI SGrB 2028	27 January 2023	27 January 2028
25	IN0020220144	07.29% GOI SGrB 2033	27 January 2023	27 January 2033
26	IN0020220151	07.26% GS 2033	06 February 2023	06 February 2033
27	IN0020230010	07.06% GS 2028	10 April 2023	10 April 2028
28	IN0020230036	07.17% GS 2030	17 April 2023	17 April 2030
29	IN0020230051	07.30% GS 2053	19 June 2023	19 June 2053
30	IN0020230077	07.18% GS 2037	24 July 2023	24 July 2037
31	IN0020230085	07.18% GS 2033	14 August 2023	14 August 2033
32	IN0020230101	07.37% GS 2028	23 October 2023	23 October 2028
33	IN0020230135	07.32% GS 2030	13 November 2023	13 November 2030
34	IN0020230143	07.25% GOI SGrB 2028	13 November 2023	13 November 2028
35	IN0020230150	07.24% GOI SGrB 2033	11 December 2023	11 December 2033
36	IN0020230176	07.37% GOI SGrB 2054	23 January 2024	23 January 2054
37	IN0020240019	07.10% GS 2034	08 April 2024	08 April 2034
38	IN0020240050	07.04% GS 2029	03 June 2024	03 June 2029
39	IN0020240076	07.02% GS 2031	18 June 2024	18 June 2031
40	IN0020240126	06.79% GS 2034	07 October 2024	07 October 2034
41	IN0020240159	06.79% GOI SGrB 2034	02 December 2024	02 December 2034



42	IN0020240183	06.75% GS 2029	23 December 2024	23 December 2029
43	IN0020240191	06.79% GS 2031	30 December 2024	30 December 2031



### List of Amendments to the Master Direction

- i. Clause (iii) of paragraph 4.4 repealed, vide [circular no. FMRD.FMD.No.01/14.01.006/2025-26 dated May 08, 2025](#). Before the repeal the clause read as under:

*“Short-term investment limit: Investments by an FPI in corporate debt securities with residual maturity up to one year shall not exceed 30 per cent of the total investment of the FPI in corporate debt securities. The short-term investment limit shall apply on investments on an end-of-day basis.*

*Provided that the limit shall not apply:*

  - (a) *If the short-term investments of an FPI consist entirely of investments made on or before April 27, 2018; and*
  - (b) *To investments by FPIs made between July 08, 2022, and October 31, 2022 (both dates included).”*
- ii. Clause (v) of paragraph 4.4 repealed, vide [circular no. FMRD.FMD.No.01/14.01.006/2025-26 dated May 08, 2025](#). Before the repeal the clause read as under:

*“Concentration limit: Investment in corporate debt securities by an FPI (including its related FPIs) shall not exceed 15 per cent of prevailing investment limit for these securities in case of long-term FPIs and 10 per cent of prevailing investment limit for other FPIs.”*
- iii. The words “short-term investment limit” in sub-clause (a) of clause (viii) of paragraph 4.4 omitted, vide [circular no. FMRD.FMD.No.01/14.01.006/2025-26 dated May 08, 2025](#)
- iv. The words “including the short-term limit, concentration limit” in clause (v) of paragraph 5.4 omitted, vide [circular no. FMRD.FMD.No.01/14.01.006/2025-26 dated May 08, 2025](#)
- v. Inserted vide [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#).
- vi. Inserted vide [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#).
- vii. Inserted vide [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#).
- viii. Amended vide [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#). Before the amendment it read as under:



**“Security-wise limit: FPI investment, in aggregate, in any Central Government security shall not exceed 30 per cent of the outstanding stock of the security.”**

- ix. Inserted vide [A.P. \(DIR Series\) Circular No. 09 dated August 12, 2025](#).
- x. The words “Government Securities” in sub-clause (e) of clause (i) of paragraph 3 replaced with “eligible instruments” vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xi. Inserted vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xii. Amended vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).

Before the amendment it read as under:

**“Eligible instruments: Central Government Securities (including Treasury Bills).”**

- xiii. Inserted vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xiv. The words “Central Government securities (including Treasury Bills)” in paragraph 7A.5 replaced with “eligible instruments” vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xv. Inserted vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xvi. Inserted vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xvii. The words “Central Government securities (including Treasury Bills)” in clause (v) of paragraph 7A.6 replaced with “eligible instruments” vide [A.P. \(DIR Series\) Circular No. 13 dated October 03, 2025](#).
- xviii. Inserted vide [A.P. \(DIR Series\) Circular No. 21 dated February 06, 2026](#).
- xix. Amended vide [A.P. \(DIR Series\) Circular No. 21 dated February 06, 2026](#).

Before the amendment it read as under:

**“₹2,50,000 crore<sup>5</sup> or higher, as may be notified by the Reserve Bank. The investment limit may be released in one or more tranches.”**

Accompanying footnote no.5, accordingly, omitted.

- xx. Inserted vide [A.P. \(DIR Series\) Circular No. 21 dated February 06, 2026](#).
- xxi. Inserted vide [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#).
- xxii. Inserted vide [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#).
- xxiii. Inserted vide [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#).
- xxiv. Inserted vide [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#).
- xxv. Inserted vide [A.P. \(DIR Series\) Circular No. 06 dated April 10, 2026](#).