



PHD Research Bureau
PHD Chamber of Commerce and Industry



RBI issues Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 - Amendment

This is in reference to the Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021 – 'Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021' (hereinafter referred as 'Master Direction').

The Master Direction outlines the prudential treatment for investment in Venture Capital Funds (VCFs). We have received queries from banks regarding the applicability of these instructions for investment in Alternative Investment Funds (AIFs).

Accordingly, on a review, it has been decided that the investment in Category I and Category II AIFs, which includes VCFs, shall receive the same prudential treatment as applicable for investment in VCFs.

In addition, based on feedback from banks, clarifications / updates have been provided regarding section 4(a)(vii), 10(c)(ix), 12(ii)(b), 12(ii)(d)(ix), 13(iv)(b), 16(i), 16(ii), 18(ii)(e)(ii) and Annex II of the Master Direction.

The relevant sections of the Master Direction have been amended to reflect the aforementioned changes.

Please find enclosed the updated document, 'Master Direction DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021 – 'Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021' (Updated as on March 23, 2022), for your kind reference.

Please contact for any query related to this mail to Ms Shivani Mehrotra, Research Officer at shivani.mehrotra@phdcci.in, with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Senior Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

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