



FOREIGN EXCHANGE LAWS

N. A. SHAH
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N. A. SHAH ASSOCIATES LLP
Chartered Accountants



Investment by Foreign Portfolio Investors (FPIs) in Government Securities

The revised aggregate FPI investments limits in the Government Securities are as follows:

Particulars	Existing limit	(INR in billions)
		Revised limit w.e.f 4 th July, 2017
FPIs in general category in Central Government securities	1849	1877
Additional for Long term FPIs in Central Government securities	461	543
FPIs in State Development Loans including long term FPIs	270	331
Total	2580	2751

Other changes in Medium Term Framework prescribed by RBI:

1. Future increases in the limit for FPI investment in Central Government securities and State Development Loans will be allocated in the following ratio - 75% for 'Long-Term' category of FPIs and 25% for 'General' category.
2. The practice of transferring unutilized limits of 'Long-Term' category to 'General' category of FPIs has been discarded.

All other existing conditions, including the security-wise limits, investment of coupons being permitted outside the limits and investments being restricted to securities with a minimum residual maturity of three years, will continue to apply.

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