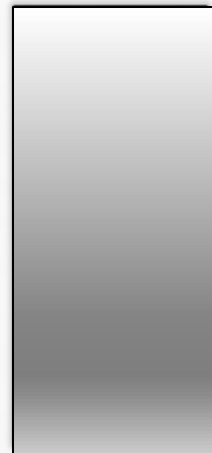


LEGALITE ADVISORS

IMPORTANT LEGAL UPDATES FOR JANUARY, 2025



Insolvency & Bankruptcy Code

- ❑ **Circular No.** IBBI/LIQ/80/2025 (“**Circular**”)
- ❑ **Circular Date.** January 09, 2025
- ❑ **Circular Effective Date.** January 09, 2025
- ❑ **Circular Subject.** Extension of time for filing forms to monitor liquidation and voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.
- ❑ **Analysis.**
 - Based on the representations received from the liquidators and insolvency professional agencies for extending the date for submission of the forms to monitor liquidation and voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder (“**Forms**”), citing the technicalities and issues involved in submission, the Insolvency and Bankruptcy Board of India (“**IBBI**”) has vide the Circular decided to extend the timeline for filing the said Forms till March 31, 2025.
 - *Vide* the Circular, the IBBI has also directed the insolvency professionals to ensure the information submitted in the Form is accurate, truthful, and consistent in all respects with the supporting documents enclosed thereof, based on its observation of incorrect values being fed in the Form.

Insolvency & Bankruptcy Code (Contd...)

- ❑ **Link to the Circular.** [Extension of time for filing Forms to monitor liquidation and voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.](#)

Securities Laws

- ❑ **Consultation Paper.**

- ❑ **Release Date.** January 14, 2025

- ❑ **Consultation Paper Subject.** Certain amendments to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the objective of encouraging dematerialization of securities and streamlining certain processes in view of current regulatory landscape.

- ❑ **Background.**

The Securities and Exchange Board of India (“**SEBI**”) intends to:

- a. Mandate issuance of new securities pursuant to (i) consolidation/split of face value of securities and (ii) scheme of arrangements, only in dematerialised form; and
- b. Modify certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”) in line with the recent changes/amendments.

Securities Laws (Contd...)

❑ Analysis.

a. Mandating issuance of new securities pursuant to (i) consolidation/split of face value of securities and (ii) scheme of arrangements, only in dematerialized form.

- ✓ SEBI aims to mandate dematerialization of securities to be issued pursuant to consolidation/split of face value of securities and scheme of arrangements. This is being suggested to eliminate the risk associated with issuance of securities in physical form which inter alia includes loss, theft, mutilation and fraud.
- ✓ Further, various policy measures have been undertaken to ensure the securities are only issued in demat mode for the below mentioned issuance of securities by listed companies:

Sl. No.	Provisions	Applicable Act / Regulations	With effect from
1.	Public issue of securities is permitted only in demat mode.	Section 29 of the Companies Act, 2013.	September 12, 2014
2.	Transfer of physical securities permitted only in demat mode.	Regulation 40(1) of SEBI LODR.	April 01, 2019

Securities Laws (Contd...)

Sl. No.	Provisions	Applicable Act / Regulations	With effect from
3.	Allotment of securities in a Rights issue shall be made only in the dematerialised form.	Regulation 77A of SEBI Issue of Capital and Disclosure Requirements Regulations, 2018 (" SEBI ICDR ").	December 26, 2019
4.	Issuance of securities in demat form in case of Investor Service Requests which inter alia includes (a) issue of duplicate securities certificate; (b) claim from unclaimed suspense account (c) renewal / exchange of securities certificate (d) endorsement; (e) sub-division / splitting of securities certificate; (f) consolidation of securities certificates/folios; (g) transmission; (h) transposition.	Under respective regulations of SEBI LODR.	January 25, 2022

Securities Laws (Contd...)

Sl. No.	Provisions	Applicable Act / Regulations	With effect from
5.	Allotment of shares in a bonus issue shall be made only in the dematerialised form.	Regulation 294(6) of SEBI ICDR.	May 23, 2023
6.	The listed entity shall ensure that 100% (Hundred percent) of shareholding of promoter(s) and promoter group is in dematerialised form and the same is maintained on a continuous basis.	Regulation 31(2) of SEBI LODR.	-

Securities Laws (Contd...)

- ✓ SEBI LODR presently does not provide any provisions for issuance of securities in demat form mandatorily in case of consolidation of face value of shares, stock-split or merger/demerger. However, if the listed companies desire to issue securities in demat for the said issuances, then they can do so by including the same as a part of the shareholder's resolution/scheme of arrangement.
- ✓ SEBI has also released the data providing the details of the number of corporate actions initiated by listed entities in the last two and first half financial year thereby justifying the reason behind mandating dematerialization for such issuances pursuant to consolidation/split/arrangements.
- ✓ The rationale for issuance of securities pursuant to consolidation/split/arrangements in dematerialized form is as follows:
 - i. reduction of frauds and forgery, elimination of loss and damage of securities, faster and more efficient transfers, improved transparency and regulatory oversight, mitigation of legal disputes, cost reduction of investors and companies etc.
 - ii. though it is legally permissible to hold securities in physical form, an investor can sell or transfer such securities only after dematerialising these securities.

Securities Laws (Contd...)

✓ **Proposal.**

SEBI proposes to amend SEBI LODR to mandate issuance of securities only in demat form in case of pursuant to consolidation/split/arrangements to encourage demat holding of securities.

For investors who do not have a demat account, the issuer companies shall open a separate demat account with a suitable ledger of ownership namely 'Suspense Escrow Account' for dealing with such securities.

b. Modifications to certain provisions of SEBI LODR.

- ✓ Certain provisions of the SEBI LODR have become outdated or need amendments in light of the evolving regulatory landscape. Based on the recommendations of a working group comprising market participants, including listed companies, registrars to an issue and share transfer agents, mutual funds, and legal experts, a review of these provisions is proposed as mentioned below:

Securities Laws (Contd...)

Regulation	Existing Provision	Proposed Change	Rationale
40(4)	The listed entity shall not register transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains it from transferring the securities from the name of the transferor(s).	Omission	SEBI discontinued the transfer of shares in physical form effective April 1, 2019. Therefore, these sub-regulations may no longer be applicable/required.
40(5)	The listed entity shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer: Provided that the transferor serves on the listed entity, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.	Omission	

Securities Laws (Contd...)

Regulation	Existing Provision	Proposed Change	Rationale
Schedule VII of SEBI LODR – Differences in Signatures	<p>Doing away with the requirement of maintaining “proof of delivery”</p> <ol style="list-style-type: none"> 1. Procedure for registering of transfer of securities in case of minor differences in the signature of transferor(s) 2. Procedure for registering of transfer of securities in case of major differences or non-availability of the signature of transferor(s) <p>Listed Companies are required to maintain ‘proof of delivery’ in the above mentioned cases in case dispatch through speed post/courier and the record for the same is required to be maintained for a period of 6(six) months..</p>	Omission	It may not be feasible for listed entities to download and maintain proof of delivery on a record-by-record basis. Hence, it is ideal to omit the provisions.

Securities Laws (Contd...)

- ✓ **Submission of Public Comments.** Accordingly, SEBI has invited suggestion from the public on the matter mentioned in point (a) and (b) above from the various stakeholders along with rationale and submit the same not later than February 04, 2025, through the following link mentioned in the Consultation Paper.

❑ **Link of the Consultation Paper.** [SEBI LODR Consultation Paper.](#)

Reserve Bank of India

- **Notification No.** RBI/2024-25/108 EFD.CO.No.1/02.08.001/2024-25 (“**Notification**”)
- **Notification Date.** January 30, 2025
- **Notification Effective Date.** January 30, 2025
- **Notification Subject.** Framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007 (“**PSS Act**”).
- **Summary.**
 - ✓ **Aim.** To streamline enforcement actions, ensuring compliance and accountability among payment system operators and banks.
 - ✓ **Offences and Penalties.** Section 26 of the PSS Act incorporates provisions relating to offences and penalties. The list of contraventions is as under :
 - (i) **Unauthorised Operation**- operation of a payment system without authorisation or failure to comply with the terms and conditions subject to which authorisation was issued;
 - (ii) **False Information**- wilfully makes a statement which is false in any material particular or wilfully omits to make a material statement in any application for authorisation or return or other document or information;
 - (iii) **Non Disclosure**- failure to produce any statement, information, returns or documents;

Reserve Bank of India(Contd...)

(iv) Violations related to data storage, KYC/AML norms- contravention of any provision of the PSS Act or if any default is made in complying with any other requirements of the PSS Act, or any regulation, order or direction made or given or condition imposed thereunder.

- An illustrative list of the contraventions / violations with the applicable corresponding section that may be examined for enforcement actions is given in the Notification.

✓ Powers of Reserve Bank to impose penalties.

- Monetary Penalty - The Reserve Bank (“RBI”) can impose a penalty not exceeding INR 10 lacs or twice the amount involved in such contravention or default where such amount is quantifiable, whichever is more, in case of contraventions / defaults.
- Repeat Offence - Where such contravention or default is a continuing one, a further penalty up to INR 25,000 for every day after the first during which the contravention or default continues, can also be imposed.

✓ Powers of Reserve Bank to compound contraventions.

- Compounding - The PSSA Act empowers an officer of RBI duly authorised by it in this behalf to compound contraventions, excluding offences punishable with imprisonment or with imprisonment and fine.

Reserve Bank of India(Contd...)

- ✓ **Designated Authority for imposing monetary penalty and compounding of contraventions.** The designated authority for imposing monetary penalty and compounding of contraventions shall be a (i) Committee comprising 3 Executive Directors in respect of cases handled by Central Office of Enforcement Department and (ii) Committee comprising Regional Director and 2 senior officers at the Regional Office of Enforcement Department.
- ✓ **Material contraventions to be penalised /compounded.** Only material contraventions will be taken up for enforcement action in the form of imposition of monetary penalty or compounding of offences. The materiality of a contravention would be determined based on various factors including severity of contravention, frequency of a similar contravention during the past 5 years, seriousness of contravention, amount involved, submission of wrong / false / incomplete compliances, etc.
- ✓ **Procedure for imposing monetary penalty.** The process flow for imposing monetary penalty is detailed in the Notification which includes, issuance of show cause notice, personal hearing by the contravener, and thereafter issuance of speaking order by the designated authority.
- ✓ **Quantum of penalty.** The amount of penalty may be based on the principles of proportionality, intent and mitigating factors, if any. Various factors may be considered for determining the amount of monetary penalty as detailed in the Notification.

Reserve Bank of India(Contd...)

- ✓ The Notification lastly encapsulates the eligibility for compounding of contraventions, process flow for compounding of offences, the period within which the amount of penalty / compounding amount has to be paid and consequences of non-payment and the disclosures to be made by entities after imposition of monetary penalty and completion of compounding action viz. in their notes to accounts that are part of annual financial statements for the financial year in which the penalty is levied and a brief of the penalty action/ compounding action shall be disclosed in the form of press release on the website of RBI.
- **Link of the Notification.** [Framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007.](#)

Reserve Bank of India(Contd...)

- ❑ **Notification No.** RBI/FED/2017-18/60 FED Master Direction No.11/2017-18 (“Notification”)
- ❑ **Notification Date.** January 20, 2025
- ❑ **Subject.** Master Direction – Foreign Investment in India (“**Updated MD-FDI**”).
- ❑ **Analysis.**

The Reserve Bank of India (“**RBI**”) has released the Updated MD-FDI which captures a host of changes in relation to the foreign investment in India which clearly reflects that the regulator has attempted to address a lot of practical challenges that the stakeholders had been facing since the promulgation of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**NDI Rules**”) as the NDI Rules either did not cover some of the important aspects in relation to foreign investment in India or downstream investment in an Indian investee company or failed to provide greater clarity in this regard. The Updated MD-FDI also seeks to provide greater flexibility in terms of dealing with foreign investments and downstream investments in India. A detailed analysis on the Updated MD-FDI can be accessed here – [Detailed Analysis - Updated MD-FDI](#)

- ❑ **Link of the Notification.** [Master Direction – Foreign Investment in India.](#)

Reserve Bank of India(Contd...)

- ❑ **Notification No.** Notification No. FEMA 5(R)(5)/2025-RB (**“Notification”**)
- ❑ **Notification Date.** January 14, 2025
- ❑ **Subject.** Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025 (**“Amendment Regulations”**).
- ❑ **Analysis.**

The Reserve Bank of India, in line with its objective to encourage greater use of INR for settlement of cross-border trade transactions and to reduce currency risks for Indian parties, introduced the following amendments to the Foreign Exchange Management (Deposit) Regulations, 2016 (**“Principal Regulations”**) through the Amendment Regulations.

Reserve Bank of India(Contd...)

Regulation under Principal Regulation	Amendment Regulations	LA Comments
Reg 5 (4)	Within Regulation 5(4) after the words “authorised dealer in India” the words “or its branch outside India” shall be inserted.	<p>The Principal Regulations previously allowed any person resident outside India (“PROI”), having business interest in India to open, hold and maintain a Special Non-Resident Rupee Account (“SNRR Account”), with an authorised dealer in India.</p> <p>The Amendment Regulations now extends the said provision to allow such persons to open, hold and maintain an SNRR Account, not only with an authorised dealer in India but also with a branch of the authorised dealer located outside India.</p>

Reserve Bank of India(Contd...)

Regulation under Principal Regulation	Amendment Regulations	LA Comments
After Reg 8	<p>After Regulation 8, the following shall be inserted namely:-</p> <p>“9. Transfer of funds between repatriable Rupee accounts:-</p> <p>Notwithstanding anything contained in these regulations, the transfer of funds, for all bona fide transactions, between repatriable Rupee accounts maintained in accordance with these regulations is permitted.”</p>	<p>The Principal Regulations previously only permitted debits from the SNRR Account which is ‘specific / incidental’ to the business operations of the account holder.</p> <p>Pursuant to the Amendment Regulations, a PROI that maintains a repatriable INR account can use the balances in such account to make payments to a repatriable INR account maintained by another PROI, provided that the underlying transaction between the two PROIs is bonafide in nature.</p>

Reserve Bank of India(Contd...)

Regulation under Principal Regulation	Amendment Regulations	LA Comments
Schedule 4 Para 1	Explanation: A unit in an International Financial Services Centre (IFSC) under section 18 of the Special Economic Zones Act, 2005 may open an SNRR account with an authorised dealer in India (outside IFSC) for its business related transactions outside IFSC.	Furthermore, units in International Financial Services Centres (IFSCs) are now permitted to open SNRR Accounts with authorized dealers in India for conducting business transactions outside the IFSCs.

Reserve Bank of India(Contd...)

Regulation under Principal Regulation	Amendment Regulations	LA Comments
Schedule 4 Para 8	<p>In Schedule 4, the existing paragraph 8 shall be substituted by the following namely:-</p> <p>“The tenure of the SNRR account shall be concurrent to the tenure of the contract / period of operation / the business of the account holder.”</p>	<p>The RBI vide the Amendment Regulations has done away with the 7 (seven) year cap, thereby providing greater operational flexibility to PROIs who have long term business interests in India. Such PROIs will no longer be required to close their SNRR Accounts (and open a new account) if their underlying business interests in India exceeds 7 (seven) years.</p>

Reserve Bank of India(Contd...)

- ❑ **Link of the Notification.** [Foreign Exchange Management \(Deposit\) \(Fifth Amendment\) Regulations, 2025.](#)

Reserve Bank of India(Contd...)

- ❑ **Notification No.** FEMA 395(3)/2025-RB (“**Notification**”)
- ❑ **Notification Date.** January 14, 2025
- ❑ **Notification Effective Date.** January 14, 2025
- ❑ **Notification Subject.** Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Third Amendment) Regulations, 2025 (“**Amended Notification**”).
- ❑ **Analysis.**
 - ✓ The Reserve Bank of India (“**RBI**”) vide the Notification, amended the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (“**Principal Regulation**”), streamlines the processes related to mode of payment, remittance of sale or maturity proceeds, investment structures and foster a transparent and efficient investment environment, key highlights whereof are tabulated as under:

Reserve Bank of India(Contd...)

Schedule of the Principal Regulation	Mode of payment	Remittance of sale proceeds
Schedule I (Purchase or sale of equity instruments of an Indian company by a person resident outside India)	Investors can pay the consideration through inward remittance via banking channels or from funds held in repatriable foreign currency or Rupee accounts, as per the Foreign Exchange Management (Deposit) Regulations, 2016 (“ Deposit Regulation 2016 ”). Notably, consideration may also involve the issuance of equity shares in lieu of funds payable by the Indian company or through the swap of equity instruments.	For remittance of sale proceeds, the Amended Notification allows net proceeds (after taxes) to be sent abroad or credited to the investor’s repatriable foreign currency or Rupee account, ensuring easy repatriation as stated in Deposit Regulation 2016.

Reserve Bank of India(Contd...)

Schedule of the Principal Regulation	Mode of payment	Remittance of sale proceeds
Schedule I (Purchase or sale of equity instruments of an Indian company by a person resident outside India)	It further states that equity instruments must be issued within 60 days of receiving payment and refund must be initiated if instruments are not issued within this timeframe, with a grace period of 15 days. Further the Amended Notification also provide for the provision of partly- paid equity shares in line with the said 60 days from receipt of each call payment.	

Reserve Bank of India(Contd...)

Schedule of the Principal Regulation	Mode of payment	Remittance of sale proceeds
Schedule II (Investments by Foreign Portfolio Investors)	Investors can pay the consideration through an inward remittance or from a foreign currency account or Special Non-Resident Rupee (SNRR) account in accordance with Deposit Regulation 2016, thereby simplifying portfolio investments.	Sale proceeds, net of taxes, can be remitted outside India or credited to the Foreign Portfolio Investors (FPIs) foreign currency or Special Non-Resident Rupee SNRR account.
Schedule VI (Investment in a Limited Liability Partnership)	Investors can pay capital contributions must be made via inward remittance or from repatriable foreign currency or Rupee accounts in accordance with Deposit Regulation 2016.	Disinvestment proceeds may be remitted outside India or can be credited to repatriable foreign currency or Rupee accounts in accordance with under Deposit Regulation 2016

Reserve Bank of India(Contd...)

Schedule of the Principal Regulation	Mode of payment	Remittance of sale proceeds
Schedule VII (Investment by a Foreign Venture Capital Investor)	Investors can make investments using inward remittances, foreign currency accounts, or Special Non-Resident Rupee (SNRR) accounts under FEMA guidelines. Further it is to be noted that the foreign currency account shall be used only and exclusively for transactions under this Schedule.	Net proceeds from sale/maturity can remitted outside India or may be credited to the foreign currency account or a Special Non-resident Rupee Account of the investor.
Schedule VIII (Investment by a person resident outside India in an Investment Vehicle)	Investors such as Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) can make investment via inward remittance, swap of shares of a Special Purpose Vehicle (SPV), or from repatriable foreign currency or Rupee accounts in accordance with Deposit Regulation 2016.	Net proceeds from sale/maturity can remitted outside India or may be credited to repatriable foreign currency or Rupee account of the person concerned investor in accordance with Deposit Regulation 2016, reflecting the government's focus on attracting institutional investment in these vehicles.

Reserve Bank of India(Contd...)

Schedule of the Principal Regulation	Mode of payment	Remittance of sale proceeds
Schedule X (Issue of Indian Depository Receipts)	Non-Resident Indians and Overseas Citizens of India investors can invest using funds in Non-Resident External (NRE) or Foreign Currency Non-Resident (Bank) FCNR(B) accounts. FPIs can invest using funds in Foreign Currency Accounts or Special Non-Resident Rupee accounts.	Proceeds of redemption or conversion of IDRs into the underlying equity shares of the issuing company must adhere to the provisions of the Foreign Exchange Management (Overseas Investment) Rules, 2022

Reserve Bank of India(Contd...)

- ✓ In Regulation 3 of Principal Regulation, for the existing sub-regulation 3.2 the following shall be substituted : “Issue of Convertible Notes by an Indian start-up company”. A start-up company issuing convertible notes to a person resident outside India shall receive investment and remit the sale proceeds as under:

Mode of payment	Remittance of sale proceeds
Investment can be made through debit of repatriable foreign currency or Rupee account, maintained in accordance with Deposit Regulation 2016.	Repayment or sale proceeds can be credited to repatriable foreign currency or Rupee account, maintained in accordance with Deposit Regulation 2016.

Reserve Bank of India(Contd...)

- ✓ Further, an explanation wrt 'banking channels' has been inserted below sub-regulation 3, which clarifies that 'banking channels' shall include any rupee vostro accounts, including Special Rupee Vostro Accounts, permitted to be held by a person resident outside India, in terms of Regulation 7(1) of Deposit Regulation 2016.

Link of the Notification. [Foreign Exchange Management \(Mode of Payment and Reporting of Non-Debt Instruments\) \(Third Amendment\) Regulations, 2025.](#)

Reserve Bank of India(Contd...)

- ❑ **Notification No.** RBI/2024-25/126 FMRD.FMD.No.10/14.01.006/2024-25 (“**Notification**”)
- ❑ **Notification Date.** January 07, 2025
- ❑ **Notification Effective Date.** January 07, 2025
- ❑ **Notification Subject.** Master Direction - Reserve Bank of India (Non-resident Investment in Debt Instruments) Directions, 2025 (“**Master Direction**”).
- ❑ **Analysis.**
 - ✓ The Reserve Bank of India (“**RBI**”) issued the Master Direction consolidating previous various circulars pertinent to non-resident (viz. Non-Resident Indians (“**NRIs**”), Foreign Portfolio Investors (“**FPIs**”), and Overseas Citizens of India (“**OCIs**”)) investments in debt instruments in India and providing a unified framework for non-resident investments in debt instruments.
 - ✓ The Master Direction prescribes different channels and routes of investment and investment limits, as summarised hereunder:

Reserve Bank of India(Contd...)

Sl. No.	Investment Route	Eligible Investor	Eligible Investment instrument	Investment Limits
1	General Route	FPIs registered under SEBI regulations.	<ul style="list-style-type: none"> Central Government securities (G-Secs), excluding those under the Fully Accessible Route. Treasury Bills. State Government securities. Corporate debt securities. Municipal bonds 	<ul style="list-style-type: none"> <u>Government Securities (G-Secs):</u> 6% of the outstanding stock (excluding those in the Fully Accessible Route). <u>Short-term investments:</u> Limited to 30% of total investments in G-Secs with a residual maturity of one year or less. <u>State Government Securities:</u> 2% of the outstanding stock. <u>Corporate Debt Securities:</u> 15% of the outstanding stock.

Reserve Bank of India(Contd...)

Sl. No.	Investment Route	Eligible Investor	Eligible Investment instrument	Investment Limits
1				<ul style="list-style-type: none">• <u>Issue-wise cap:</u> An FPI or related FPIs cannot hold more than 50% of a single issue.• <u>Short-term investments:</u> Limited to 30% of total corporate debt investments with a residual maturity of one year or less.

Reserve Bank of India(Contd...)

Sl. No.	Investment Route	Eligible Investor	Eligible Investment instrument	Investment Limits
2	Voluntary Retention Route (VRR)	FPIs that voluntarily commit to retain a specified investment amount for a minimum retention period.	<ul style="list-style-type: none"> Any instrument listed under Schedule 1 of FEMA (Debt Instruments) Regulations, 2019, excluding Units of domestic mutual funds or ETFs with over 50% equity exposure and partly paid debt instruments. Repos and reverse repos (limited to 10% of the FPI's VRR investment). 'To-be-listed' corporate debt securities, provided they are listed within SEBI's specified timeline. 	<ul style="list-style-type: none"> Total limit for VRR investments: INR 2,50,000 crore or higher, as notified by RBI. FPIs must invest 75% of their committed portfolio size (CPS) within three months of allotment and maintain it throughout the retention period.

Reserve Bank of India(Contd...)

Sl. No.	Investment Route	Eligible Investor	Eligible Investment instrument	Investment Limits
3	Fully Accessible Route (FAR)	FPIs, NRIs, OCIs and any other non-residents as notified by RBI.	'Specified securities' notified by RBI, including Central Government securities with tenors of 5, 7, and 10 years and additional securities designated under the FAR, as notified by RBI.	<ul style="list-style-type: none"> No restrictions or ceilings for non-resident investments in 'specified securities'. FAR investments are exempt from macro-prudential limits applicable under the General Route.

Reserve Bank of India(Contd...)

Sl. No.	Investment Route	Eligible Investor	Eligible Investment instrument	Investment Limits
4	Scheme for Trading and Settlement of Sovereign Green Bonds (SGrBs)	Non-residents eligible under the International Financial Services Centre (IFSC) framework.	SGrBs issued by the Government of India, traded and settled under the 'Scheme for Trading and Settlement of Sovereign Green Bonds in IFSC.'	Governed by the scheme's provisions, with no specific caps mentioned in the Master Direction.

❑ **Link to the Notification.** [Master Direction - Reserve Bank of India \(Non-resident Investment in Debt Instruments\) Directions, 2025.](#)

Thank You



There is no wealth like knowledge and no poverty like ignorance - Buddha