प्रेस प्रकाशनी PRESS RELEASE



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RBI relaxes FDI regulations by permitting optionality clause

The Reserve Bank of India today announced that optionality clauses may henceforth be allowed in <u>Foreign Direct Investments (FDI)</u>, to facilitate investors to exit subject to the conditions of minimum lock-in period and without any assured return.

It may be recalled that till now only equity shares or compulsorily and mandatorily convertible preference shares/debentures were eligible instruments to be issued to persons resident outside India under the Foreign Direct Investment policy and these instruments were not allowed to have any optionality clause. It is expected that this relaxation will facilitate greater FDI flows into the country.

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