

# RBI widens overseas access to equities

## Higher caps for NRIs, OCIs may deepen market liquidity

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The Reserve Bank of India (RBI) on Friday eased investment norms for non-resident Indians (NRIs), Overseas Citizens of India (OCIs), and other overseas individuals, allowing them to take larger positions in listed companies without registering with the Securities and Exchange Board of India (Sebi).

Market participants said the move could widen the investor base for Indian equities, improve market liquidity, and support foreign capital inflows at a time when overseas institutional investors have remained net sellers. "The limits for investment by NRIs and OCIs in equity instruments traded on the stock market without Sebi registration are being increased. Further, the same facility is being extended to all individual Persons Resident Outside India (PROIs) on a par with NRIs and OCIs," the RBI said in a statement.

Separately, the finance ministry said individual PROIs would be permitted to invest in listed Indian firms through the Portfolio Investment Scheme, a route previously available only to NRIs and OCIs. The proposal was first announced in the Union Budget for 2026-27.

Under the revised framework, the investment limit for a single overseas individual investor has been doubled to 10 per cent of a company's paid-up capital from 5 per cent earlier. The aggregate limit has been raised to 24 per cent from 10 per cent.

The RBI is expected to issue detailed operational guidelines.

According to Prime Database, NRI shareholding in National Stock Exchange-listed companies stood at 0.62 per cent, valued at ₹2.5 trillion,



ILLUSTRATION: BINAY SINHA

as of March 2026, compared with 0.63 per cent, or ₹2.57 trillion, a year earlier. While experts do not expect an immediate surge in inflows, they said the policy change improves the attractiveness of domestic equities for overseas individual investors over the longer term.

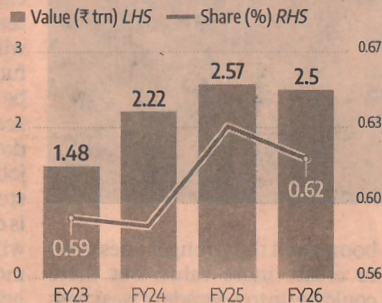
"The liberalisation of investment norms for NRIs, OCIs, and other overseas individuals strengthens India's capital account at a time when external financing conditions remain dynamic, while also supporting rupee stability," said Dhiraj Relli, managing director and chief executive officer of HDFC Securities.

Foreign portfolio investors (FPIs) have pulled out a record ₹2.63 trillion from Indian equities so far in calendar year 2026, according to exchange data. Domestic institutional investors have offset much of the selling with purchases exceeding ₹4 trillion.

In a statement, the finance ministry said the revised framework would facilitate greater mobilisation of foreign portfolio capital by leveraging existing onboarding systems for NRI

## India calling

### NRI shareholding in NSE-listed companies



Note: March-end data for all financial years  
Source: primeinfobase.com

and OCI investors. "Simplified onboarding and reduced compliance requirements would further enhance ease of doing business while attracting a broader base of relatively stable individual foreign investors. This will also support greater and more stable foreign inflows into Indian equity markets," the ministry said.

The changes will be implemented through amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2026.

Experts said the relaxed investment framework could deepen the capital markets while also benefiting the broader economy. "Greater participation by overseas individual investors can widen the investor base, improve market liquidity, and support capital formation," said Kinjal Shah, vice-president of the Bombay Chartered Accountants' Society. "Sustained foreign inflows can also strengthen India's foreign exchange position by increasing the availability of foreign currency in the financial system."