



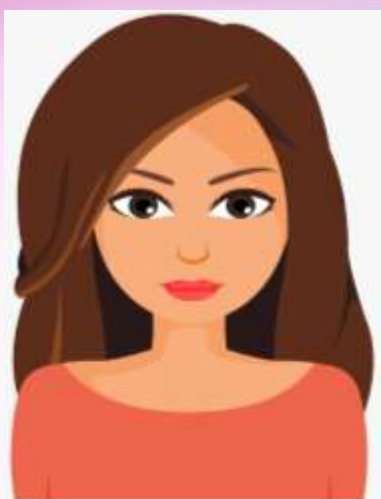
FEMA ke FUNDAE

**Foreign Direct
Investment in India**

#FamiliarwithFEMA

Date : 08 March 2023

Issue No. : 39



Akriti

Hello, Mr FEMA Gyani. My Friend Swati, an Australian wants to invest in an Indian company. Is she allow to do the same?

Hi Akriti! As she is a non-resident and is allowed to invest in India. The same will be considered as Foreign Direct Investment (FDI) in India.



The FEMA Gyani

Okay. Can you please tell in detail that who are the eligible investors for investment in FDI?



Akriti

Yeah, Sure! Following can make investment through FDI in India :

Persons from Nepal and Bhutan

A Foreign Portfolio Investor

A Foreign Venture Capital Investor

NRI and entity controlled by NRI

Overseas Corporate Bodies, which are incorporated outside India and are not under adverse notice of RBI

Any non-resident other than a citizen of Pakistan or Bangladesh



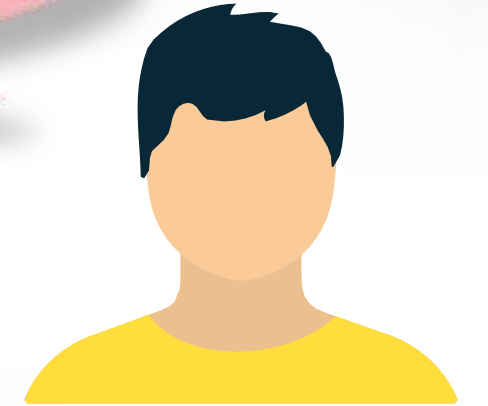
The FEMA Gyani



Akriti

Alright! Where can such investments be made?

Such investments can be made in :



The FEMA Gyani

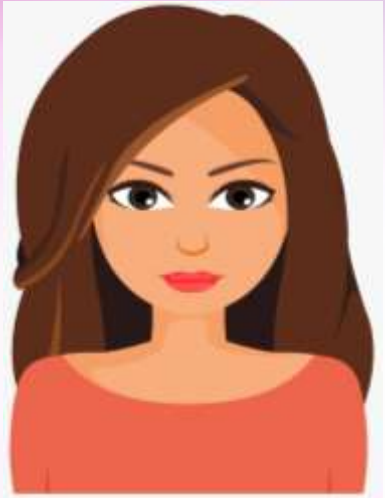
Indian Companies

Partnership firm/Proprietary concern

Investment Vehicle

Limited Liability Partnership

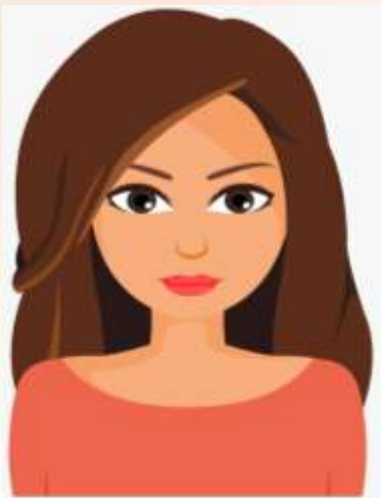
Startup Company



Akriti

Okay Mr. FEMA Gyani. Is there any important points to be kept in mind while making such investment?

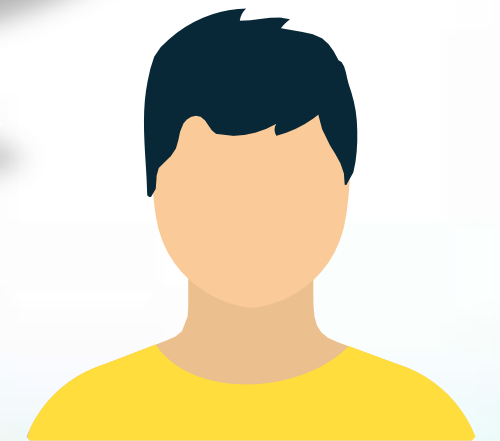
Yes Akriti. Please remember that all the transactions should be undertaken through banking channels and the payment includes applicable taxes and other duties or levies in India.



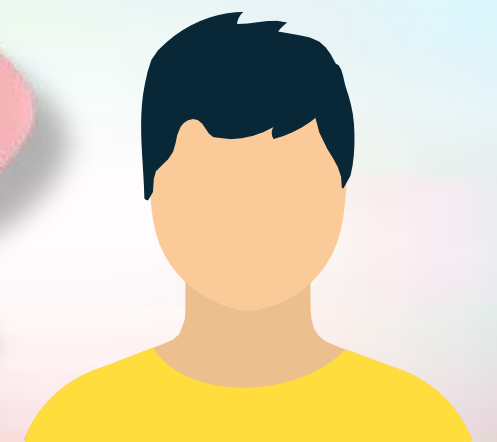
Akriti

Okay Mr. FEMA Gyani, one more question. If in future she sells such security, is she allowed to remit the sale proceeds?

Yes. She is allowed to remit the sale proceeds.



The FEMA Gyani



The FEMA Gyani



Akriti

Okay. And how can she remit such sale proceeds?

An authorized dealer may allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India, if :

1

The security was held by the seller on repatriation basis **AND**

2

Either the security has been sold in compliance with the pricing guidelines or the Reserve Bank's approval has been obtained in other cases for sale of the security and remittance of sale proceeds thereof



The FEMA Gyani



Akriti

Okay. Now I got it. Thank you Mr. FEMA Gyani.

Thank You!

Let's meet every
Wednesday.

To make you more familiar with FEMA,
we are happy to listen to your

Comments

Feedbacks

Suggestions



The FEMA Gyani

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