

FEMA Ke Fundae

#FamiliarwithFEMA

Foreign Investment In
Partnership Firm

Issue No : 79

Date : 13.12.2023



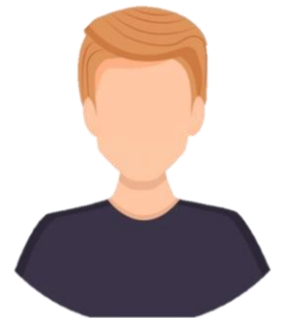


**Henry
NRI**

Hello, Mr. FEMA Gyani. I hope you are doing well. I am a Non-Resident Indian (NRI) and I am interested in investing in my friend's jewelry design partnership firm in India. As an NRI, am I allowed to invest in a partnership firm in India?



Hi Henry, yes, you can invest in an Indian partnership firm, except those firms that engaged in agricultural or plantation activities, print media, or real estate businesses. But the investment has to be on a non-repatriation basis.



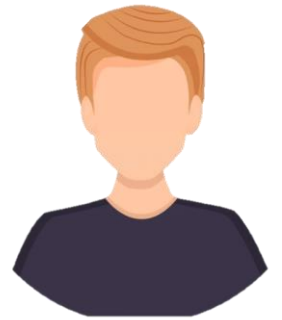
The FEMA Gyani



**Henry
NRI**

What do mean by Non-repatriation?

Non-repatriation means that funds invested in India are required to stay within the Indian financial system and cannot be repatriated or brought back to the investor's country of origin.



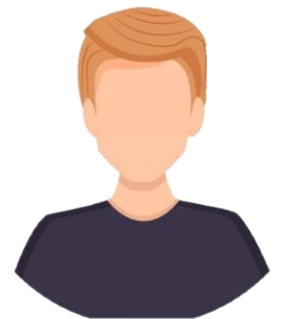
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Dose that mean I can not disinvest from the firm?

No Henry, you can disinvest from the firm, but you can use these fund within India only. Repatriation to your own country is not allowed.



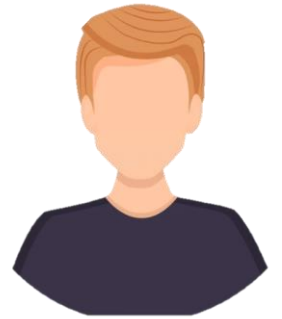
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**Henry
NRI**

Oh, that's not an issue. Is there also any reporting requirement for investments in a partnership?

There is no such reporting requirement, but at the time of investment, you need to provide a written declaration to the AD (Authorized Dealer) bank. In this declaration, you need to declare that the investment is made on a non Repatriable basis, and you required to specify the amount of investment and the purpose of the investment, along other details.



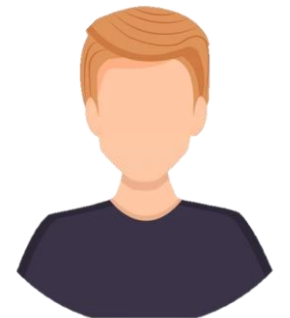
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**Henry
NRI**

Okay, Mr. FEMA Gyani, Thank you so much for your help with my questions. You've made the process much easier.

You're welcome, Henry. I'm glad I could help.



The FEMA Gyani

Thank You



The FEMA Gyani

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Suggestions



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