

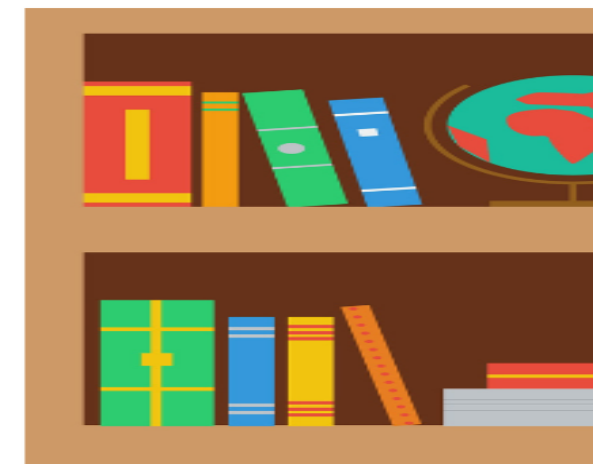
# FEMA Ke Fundae

#FamiliarwithFEMA

**Investment by NRI/OCI in  
Listed Indian Company**

Issue No : 102

Date : 22<sup>nd</sup> May, 2024

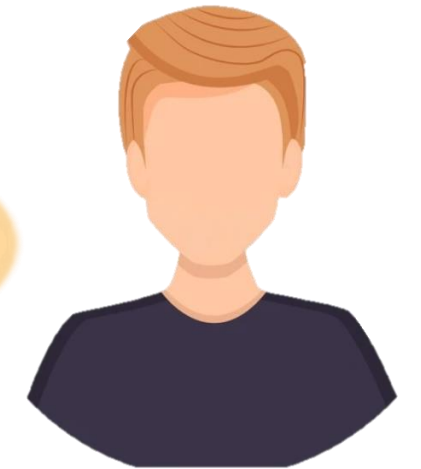




**Mr Akio  
(NRI)**

Hello Mr. FEMA Gyani, hope you're doing well. I am Akio, a Non-Resident Indian. I am planing to invest in a listed Indian company. Am I allowed to purchase or sell the equity instruments of such company?

Hi Mr. Akio. Yes, you can purchase or sell equity instruments of a **listed Indian company** and other securities through an **Authorized Dealer** subject to some **terms and conditions**.



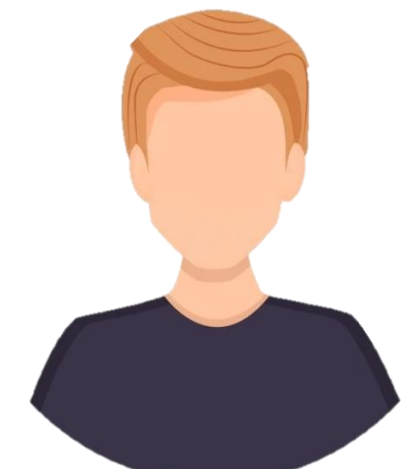
**The FEMA Gyani**

Okay, could you please clarify the conditions :-

Sure, given below are the prescribed conditions :-



**Mr Akio  
(NRI)**



**The FEMA Gyani**



**AND**

The total holding by any **individual** NRI or OCI shall not exceed **5%** of the **total paid-up equity capital** on a **fully diluted basis**.

The total holdings of **all** NRIs and OCIs put together shall not exceed **10%** of the **total paid-up equity capital** on a **fully diluted basis**.

**OR**

**OR**

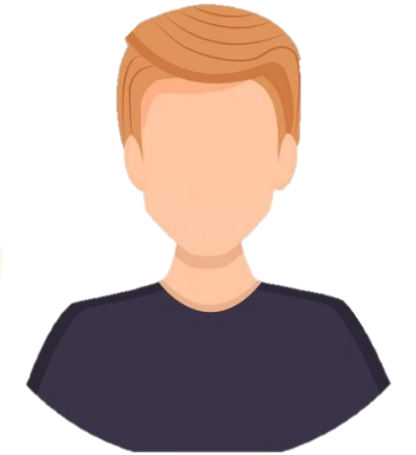
shall not exceed 5% of the **paid-up value** of each series of **debentures or preference shares or share warrants** issued by an Indian company.

shall not exceed 10% of the **paid-up value** of each series of **debentures or preference shares or share warrants**.



**Mr Akio  
(NRI)**

Got it ! But what if the holding requirement exceeds the limit prescribed?



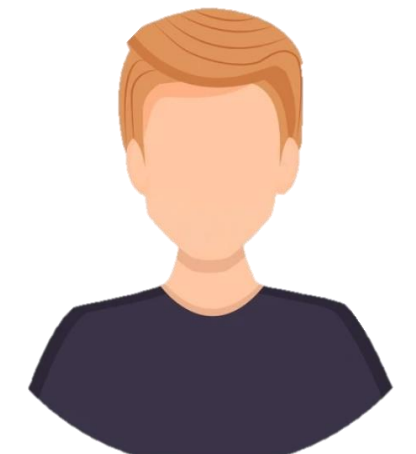
**The FEMA Gyani**

Well there is a voluntary option available to raise the ceiling limit i.e. if the Indian company passes **special resolution** then the aggregate ceiling of **10%** may be raised to **24%**.



**Mr Akio  
(NRI)**

Oh! That's Great. But if the Indian company does not want to pass such special resolution then what would be the other option available?



**The FEMA Gyani**

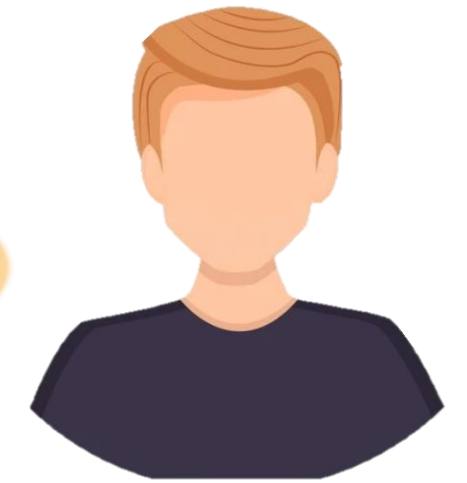
Then the NRI or OCI have to **sell** their **equity instruments** to an **Indian resident** provided that the Indian resident is eligible to hold such instruments.



**Mr Akio  
(NRI)**

Is there any specific timeframe within which the sale of these equity instruments must occur?

The selling can be done within the **time stipulated** by the **Reserve Bank of India** in consultation with the Central Government.



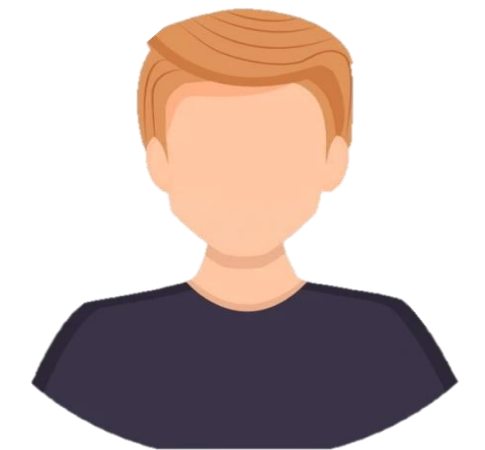
**The FEMA Gyani**



**Mr Akio  
(NRI)**

Okay. Now I have a doubt regarding repatriation of the funds, would it be possible to repatriate the funds invested in India to my home country for any future use?

Yes Akio. The funds invested in a listed Indian company can be done on **repatriation basis**.



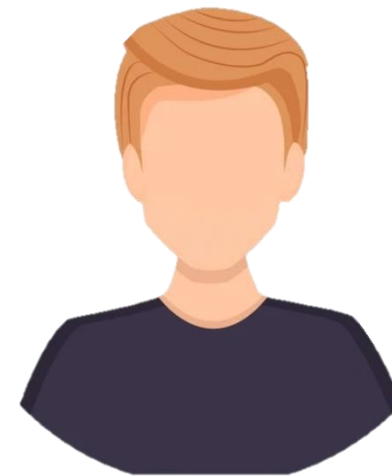
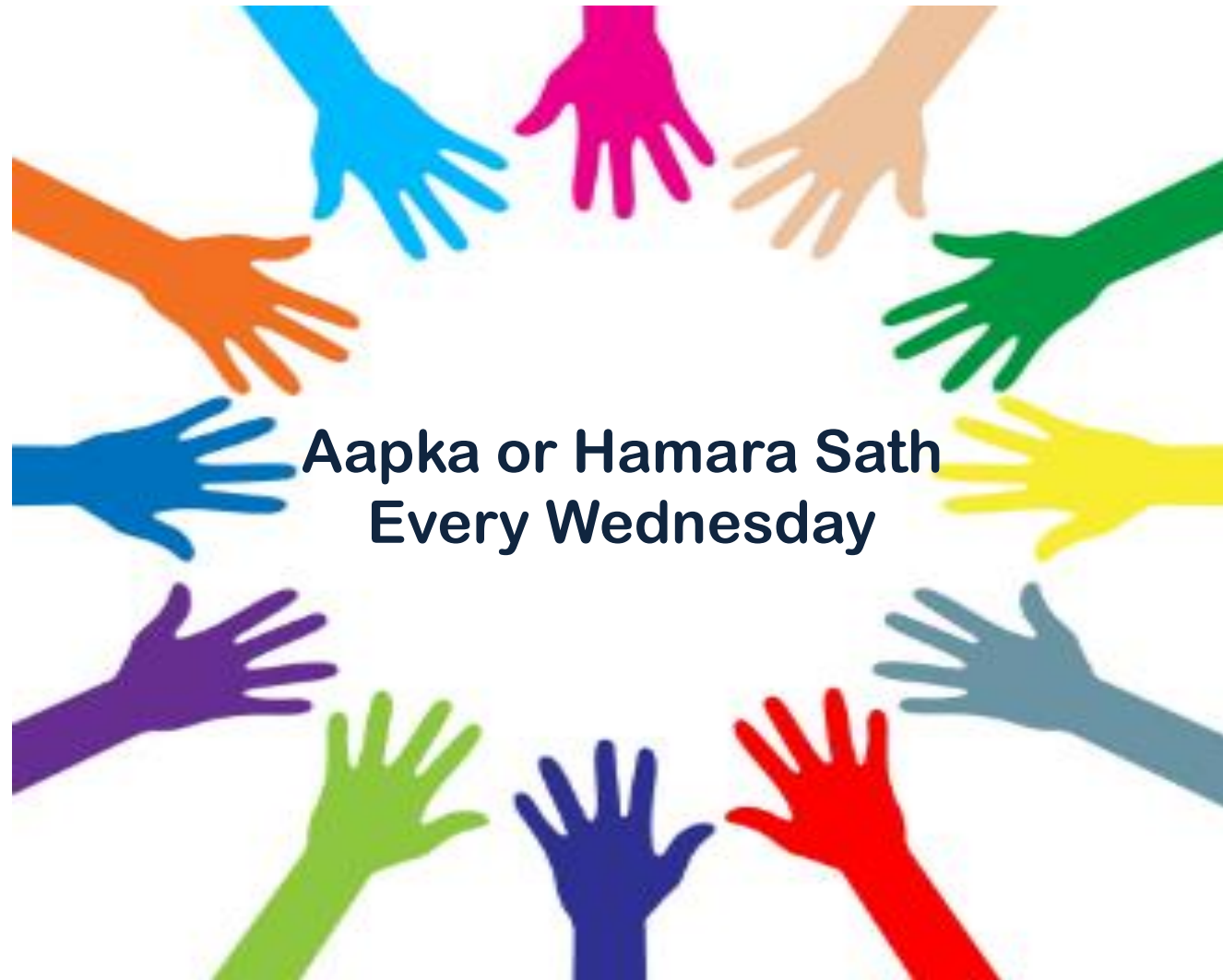
**The FEMA Gyani**



**Mr Akio  
(NRI)**

Okay, I got it FEMA Gyani. Thank you so much !

# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



<https://in.linkedin.com/company/jsoca>

WEBSITE

<https://jainshrimal.com/>



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