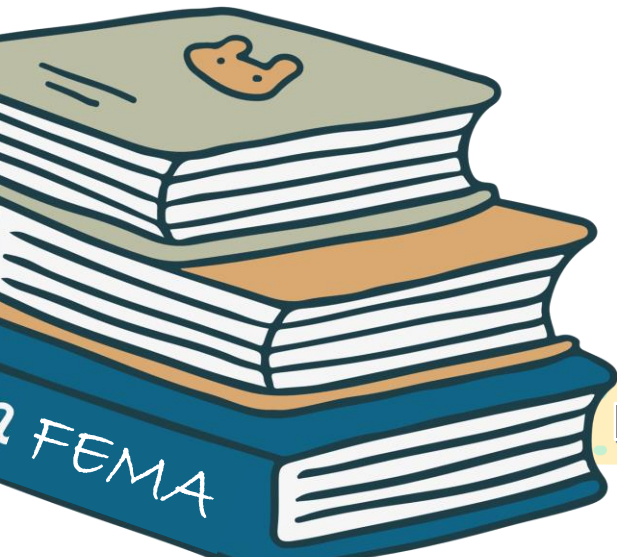
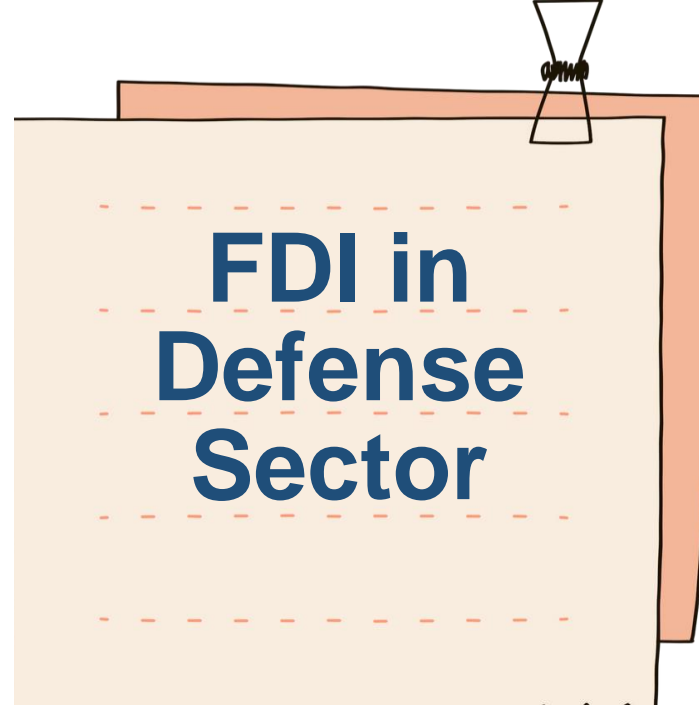


FEMA Ke Fundae

#FamiliarwithFEMA



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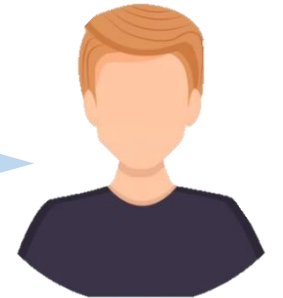




Captain Lakshit Shergill
(A Defence Startup Promoter)

Hello, Mr. FEMA Gyani! My company, *DeshRakshak Arms Ltd.*, is looking to manufacture advanced defense equipment, and we're interested in attracting foreign investment. Could you provide guidance on the process and any regulations we need to follow under FEMA to make this happen?

Captain Lakshit, building India's defense capabilities with foreign investment is a good move! But first, you need to navigate the **Defense FDI Battlefield**.



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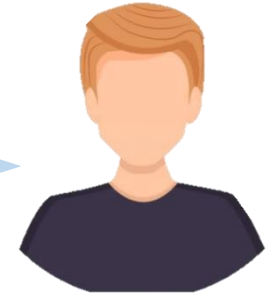
Captain Lakshit Shergill
(A Defence Startup Promoter)

Oh wow, another battlefield? But hey, is there some secret way to win this one? A hidden path, a cheat code, a backdoor victory?



No shortcuts in defense, Captain! Here's the drill:

- ❑ **100% FDI Allowed** ❑
- ❑ **Up to 74% via Automatic Route** ❑
- ❑ **Beyond 74% Only with Government Approval** ❑ *(If it brings modern tech or serves national interest.)*



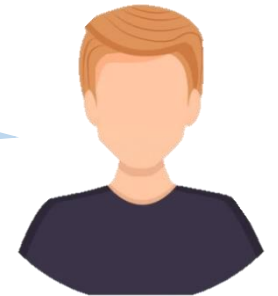
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Captain Lakshit Shergill
(A Defence Startup Promoter)

So, I just set up my factory and get 74% FDI easily?

Yes, Not so fast! There are conditions:



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CONDITIONS:



For **existing industrial license**

Up to 49%

Beyond 49%

Inform the Ministry of Defense for any changes

Any increase beyond 49% needs **special government approval**

If you are applying for a **new industrial license**

FDI up to **74%** is automatic

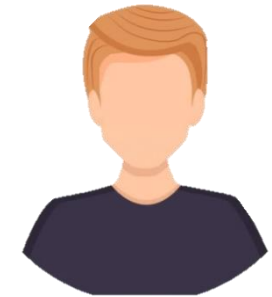




Captain Lakshit Shergill
(A Defence Startup Promoter)

Okay, understood. Are there any special rules or approvals foreign investors need to go through to invest in a defense startup?

? National Security Alert! ?



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The **Ministry of Defence, Ministry of External Affairs, and DPIIT** will scrutinize every foreign investment application.

All investments must pass **security clearance by the Ministry of Home Affairs.**

The company must be **self-sufficient in design, development, maintenance, and lifecycle support** of defense products.

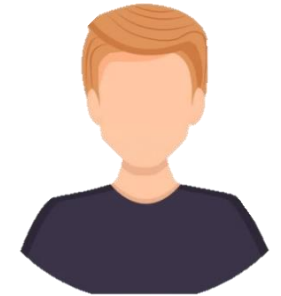




Captain Lakshit Shergill
(A Defence Startup Promoter)

So, if my startup wants 100% FDI, it must be for advanced technology, right?

Exactly! The government closely monitors foreign investment in defense. It can **review or reject any FDI** if it **affects national security**. 🇮🇳



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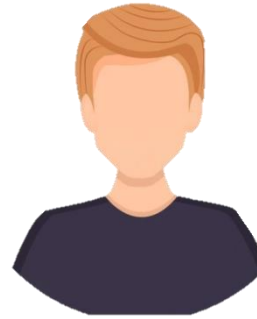
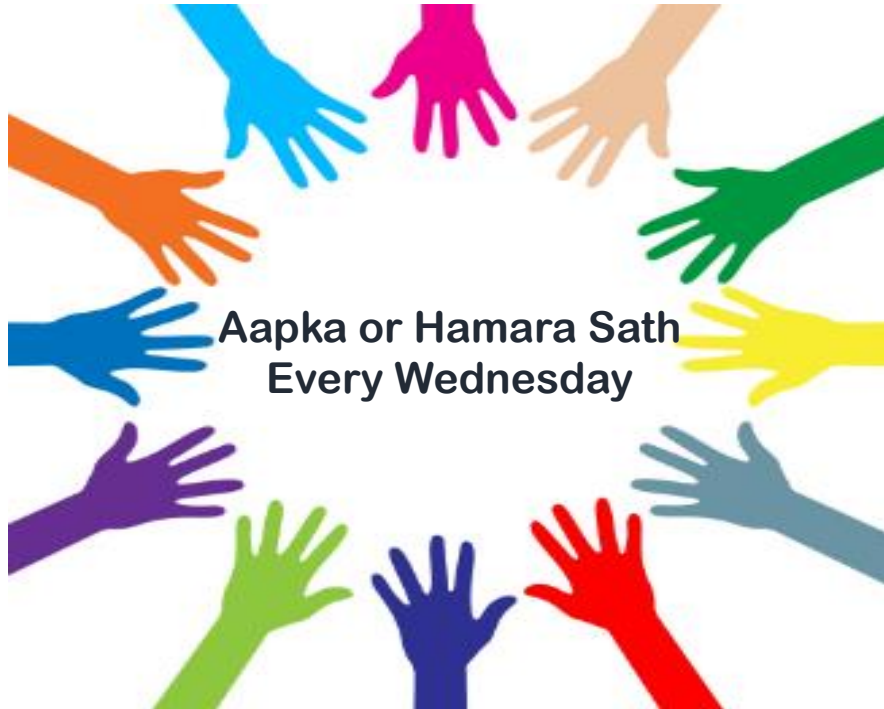


Captain Lakshit Shergill
(A Defence Startup Promoter)

Got it, Mr. FEMA Gyani! Thanks for the guidance. I'll rethink my investment strategy.



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan   
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