

INVESTMENT IN PARTNERSHIP FIRM / PROPRIETARY CONCERN

Investment In Partnership Firm/ Proprietary Concern

A Non-Resident Indian (NRI) or a Person of Indian Origin (PIO) resident outside India can invest by way of contribution to the capital of a firm of a proprietary concern in India on non-repatriation basis provided

i) Amount is invested by inward remittance or out of NRE/ FCNR/ NRO account maintained with Authorised Dealers/ Authorised Banks. ii) The firm or proprietary concern is not engaged in any agricultural/plantation or real estate business (i.e. dealing in land and immovable property with a view to earning profit or earning income there from) or print media sector. iii) Amount invested shall not be eligible for repatriation outside India.

Investments with Repatriation Benefits

NRIs/PIO may seek prior permission of Reserve Bank for investment in sole proprietorship concerns/partnership firms with repatriation

Benefits. The application will be decided in consultation with the Government of India.

Investment by Non-Residents other than NRIs/PIO

A person resident outside India other than NRIs/PIO may make an application and seek prior approval of Reserve Bank (addressed to the Chief General Manager in charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central office Mumbai) for making investment by way of contribution to the capital of a firm or a proprietorship concern or any association of persons in India. The application will be decided in consultation with the Government of India.

Restrictions

An NRI or PIO is not allowed to invest in a firm or proprietorship concern engaged in any agricultural/plantation activity or real estate business i.e. dealing in land and immovable property with a view to earning profit or earning income there from or engaged in Print Media.