



What is FDI? Why it Matters for Indian Startups & MSMEs



Insights by

CA Adityavikram Banka



+91-9870777643



What is FDI?

FDI is when a **foreign entity or individual invests in an Indian company**, typically via equity instruments.

Regulated by RBI under FEMA

Why is FDI Important?



Access Global
Capital



Gain Strategic
Partners



Boost Brand
Credibility



Enable Market
Expansion



Compliance Watch

Even a **small equity issuance to a foreign investor** is governed by stringent **FEMA and RBI regulations**:

- 1 Sectoral Caps
- 2 Pricing Guidelines
- 3 FDI Reporting



Non-Compliance can result in:

✗ Penalties up to **3x investment**

✗ Funding delays

✗ Reputational risk

Coming Up Next



FDI Routes &
Structuring for
Startups



Automatic Route



Approval Route




Instruments &
Conditions



Need Guidance on FDI?

If you're a **Startup Raising Foreign Capital** or an **MSME Planning strategic FDI Infusion** or a **Corporate looking to setup Subsidy in India** or **Structuring your Cross Border Transaction**.

 Let's Connect to ensure your funding journey remains compliant and future-ready



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