



# **Akshara Group**

## **NRI FAQs**

### **Who is a Non Resident Indian?**

Any citizen of Indian origin who stays abroad for employment or business operation purposes or vocation for an uncertain period is considered to be a Non Resident Indian. (Indians posted in U.N. organizations and other officials deputed abroad by Central/State Governments and Public Sector undertakings on temporary assignments are also considered as non-residents). Non-resident foreign citizens of Indian origin are treated on par with non-resident Indian citizens (NRIs).

### **What facilities do the NRIs get to avail?**

NRIs/OCB's are granted the following facilities:

1. They get to maintain bank accounts in India
2. They can make investments in shares/securities and deposits with Indian firms/companies
3. They are entitled to make investments in immovable properties in India.

### **Who is a PIO?**

A person of Indian origin means an individual (not being a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan) who:

- held an Indian Passport at any time, or
- who or whose father or paternal grandfather was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955

### **Who can purchase immovable property in India?**

A.1 Under the general permission available, the following categories can freely purchase immovable property in India:

- i) Non-Resident Indian (NRI)
- ii) Person of Indian Origin (PIO) - that is an individual (not being a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan), who
  1. at any time, held Indian passport, or
  2. who or either whose father or grandfather was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955).

The ambit of the general permission allows only purchase of residential and commercial property.

**Is it possible for NRIs to sell their property without Reserve Bank's Permission?**

Yes.

**Can NRIs acquire and dispose residential property in the form of gifts?**

Yes, the Reserve Bank has granted general permission to NRIs to acquire or dispose of NRI India Properties by way of gift from or to a relative who may be an Indian citizen or a person of Indian origin (PIO) whether resident in India or not.

**Can NRI's acquire commercial properties in India?**

Yes. Under the general permission granted by the Reserve Bank, property other than agricultural land/farm house/plantation property can be acquired by NRIs . The restriction imposed is that the the purchase consideration be met either out of inward remittances in foreign exchange through normal banking channels or out of funds from the purchaser's NRE/FCNR accounts maintained with banks in India and a declaration is submitted to the Central Office of Reserve Bank in form IPI 7 within a period of 90 days from the date of purchase of the property/final payment of purchase consideration

**Can NRIs obtain loans for acquisition for a house/flat for residential purpose from financial institutions providing housing finance?**

There are certain financial institutions who have been granted permission by the Reserve Bank of India to offer housing finance to NRIs for purchase of property that is to be used for self-occupation and is subject to certain conditions. These are HDFC, LIC Housing Finance Ltd etc. The criteria regarding the purpose of the loan, margin money and the quantum of loan will be at par with those applicable to resident Indians. The loan repayment should be made within a period not exceeding 15 years, out of inward remittance through banking channels or out of funds held in the investors' NRE/FCNR/NRO accounts.