



Remittance and Banking by Non Resident of India

1. Remittance from Non Resident for not permitted businesses/activities in India

(i) Non Resident is **not permitted** to invest in the following businesses and activities

- (a) Business of Chit fund company
- (b) Business of Nidhi company
- (c) Business of Real estate **trading**
- (d) Construction of farm house
- (e) Trading in Transferable Development Rights (TDRs)

(ii) Business of Real Estate Trading is **not including** the followings:-

- (a) Development of townships, construction of residential and commercial premises, roads and bridges in India
- (b) Henceforth non-resident is **permitted** to develop the townships, construction of residential and commercial premises, roads and bridges in India

2. Remittance from Non Resident for permitted businesses/ activities in India

(i) Non Resident is **permitted** to remit from outside India through normal banking channels

(ii) **And also** to Debit to the following accounts

- (a) FCNR (B) Account
- (b) NRE Rupee Account
- (c) NRO Rupee Account

3. Remittance to Non Resident against the sale proceed of Asset in India

(i) AD Bank is **permitted** to remit against the sale proceed of assets.

(ii) *Assets are including the followings:-*

- (a) *Deposit with bank , partnership firm or company*
- (b) *Balance in provident fund or superannuation benefits*
- (c) *Amount of claim or maturity proceeds of Insurance policy*
- (d) *Sale proceeds of shares, securities, immovable property or any **other** asset*

(iii) *AD bank is **permitted** for remittance in accordance with the provisions of Act, Rules or Regulations of the RBI*

4. Remittance from NRO Rupee Account in India

(i) *AD bank is **permitted** to remit from NRO rupee account.*

(ii) *However AD bank is **not permitted** to remit to the **citizen of Nepal or Bhutan**.*

(iii) *List of eligible persons for remitting from India is following:-*

- (a) *Retired person from employment in India*
- (b) *Person who had acquired the credit into NRO rupee account when he was resident in India*
- (c) *Person who had acquired through inheritance from a person who was resident in India*
- (d) *Widow as resident **outside India** who had inherited the assets of her deceased husband*
- (e) *Person who has come to India for study/training **and also completed** his study/ training*

5. Remittance with approval from the RBI

(i) *AD bank is **permitted** for a remittance where amount is **exceeding** USD 1 million per financial year from NRO rupee account with approval from the RBI*

(ii) *AD bank is **permitted** for a remittance where amount is required for **not permitted** purpose with approval from the RBI*

6. Computation of Monetary Limit USD 1 Million Per Financial Year

- *Monetary limit USD 1 million is **not including** the sale proceed of shares and immovable properties which have already **acquired by direct remittance** through banking channel in foreign currency on **repatriation basis**.*

7. Remittance in Installments from Non Resident of India

- Remittances in installment are permitted through **same** authorized dealer bank only.

8. Remittance of USD 1 Million to outside India by NRI / PIO

- NRI / PIO is **not permitted** to remit **exceeding USD 1 million without approval** from the RBI against the followings:-

- (i) Out of the balance available in NRO rupee account
- (ii) Out of Sale proceeds of assets acquired by way of inheritance, legacy or settlement with the **close relatives**

9. Lock-in-Period for NRI / PIO

- NRI / PIO is permitted to remit against sale proceeds of immovable property purchased by him out of rupee funds **without lock-in-period** but within USD 1 million per financial year

10. Remittance against Sale Proceeds of Residential Property as Purchased in Foreign Exchange

- (i) NRI / PIO is permitted to remit sale proceeds of **residential property** purchased in Foreign exchange restricted to **amount paid at time of purchase** in foreign exchange.
- (ii) However **balance sale proceeds** over and above amount paid at time of purchase is to be credited to NRO rupee account
- (iii) Remittance against NRO rupee account is permitted USD 1 million per financial year

11. List of Eligible Repatriation

- (i) AD bank is permitted **without monetary limit** USD 1 million for the following repatriations
 - (a) Out of refund of application or earnest money
 - (b) Out of purchase consideration paid by house building agencies/seller on account **non allotment** of flat , plot or cancellation of booking or deal for purchase of residential or commercial property along with interest, if any **without monetary limit** as prescribed through NRO rupee account i.e. USD 1 million per financial year
- (ii) However **original** investments should be made out of FCNR (B) account , NRE rupee account or

direct remittance from **outside India**

- (iii) Moreover NRI/PIO is **also** permitted to get credit into FCNR (B) account or NRE rupee account instead of remittance **outside India** with the submission of Form – 15 CA and CB to the AD- bank

12. Remittance against Sale Proceeds of Residential Accommodation Purchased through Bank Loan

- (i) AD banks is permitted to remit the sales proceeds of residential accommodation as purchased through bank loans **after** making payment against **outstanding loan**
- (ii) However loan should be repaid through direct foreign inward remittances , debit to FCNR (B) account or NRE rupee account

13. Remittances against the Current Incomes

- (i) *Current Incomes Includes the followings:-*
- (a) Rental Income
 - (b) Dividend Income
 - (c) Pension Income
 - (d) Interest Income
- (ii) Remittances against the **current incomes** are permitted **without monetary limit** i.e USD 1 million per financial year
- (iii) Moreover remittance against current incomes is also permitted **without routing through NRO rupee account**

14. Credit of Current Incomes into NRE Rupee Account

- (i) NRI / PIO is **also** permitted to get credit against the current incomes into NRE rupee account where AD bank is satisfied that credit represent **current incomes only**
- (ii) **And** also Tax Deducted at Source (TDS) is to be deducted and deposited with the Income tax deptt.

15. Issue of the International Credit Cards to NRI / PIO

- (i) AD banks is permitted to issue an International Credit Cards to NRI/PIO **without approval** from the RBI*

- (ii) (a) However settlement of International credit Cards should be made through direct foreign currency inward remittance*

*(b) **Or** debit to FCNR (B) account, NRE rupee account or NRO rupee account as maintained in India*

Banking Facilities for Returning NRI / PIO to India

1. Banking Facilities for Returning NRI / PIO to India

- (i) (a) Returning NRI / PIO is permitted to continue to hold , own , transfer or invest in foreign currency **outside India**
- (b) **Or** in Foreign Security or immovable property **outside India**
- (ii) However these assets should be acquired during his **non-resident of India status**

2. Resident Foreign Currency (RFC) Account for Returning NRI / PIO to India

- (i) Returning NRI / PIO is permitted to open, hold or maintain a RFC account for transferring his balance available in **existing FCNR (B)** account or NRE rupee account.
- (ii) **And** also NRI/PIO is permitted to get credit into RFC account out of sale proceeds of the assets as held **outside India**
- (iii) (a) Balance available in RFC account is permitted as **free from all restrictions** regarding utilization
- (b) **And** also for investment in any form **outside India**
- (iv) **Types of RFC Account are followings:-**
 - (a) Current Account
 - (b) Saving Account
 - (c) Term Deposit

3. Change of Residential Status from NRI / PIO to Resident of India

(i) Impact on NRE Rupee Account

- (a) NRE rupee account is to be redesigned as **resident rupee account** on change of residential status
- (b) **Or** Funds is to be transferred to RFC account

(ii) Impact on FCNR (B) Account

- (a) Deposits in FCNR (B) account is to be allowed to continue till date of maturity where depositor so desired
- (b) However provisions relating to rate of interest **and** also reserve requirements against FCNR (B) account is to be treated as **resident rupee deposits account** from the date of **returning NRI / PIO to India**
- (c) Moreover AD banks is required to convert the FCNR (B) account on maturity into resident rupee deposit account **Or** in RFC account in India
- (d) Henceforth **new** rate of interest is to be applicable **after conversion** into resident rupee account **Or** in RFC account in India

(iii) Impact on NRO Rupee Account

- (a) NRO rupee account is to be redesigned as resident rupee account **Or** in RFC account in India
- (b) Henceforth **new** rate of interest is to be applicable **after conversion** into resident rupee account **Or** in RFC account in India

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