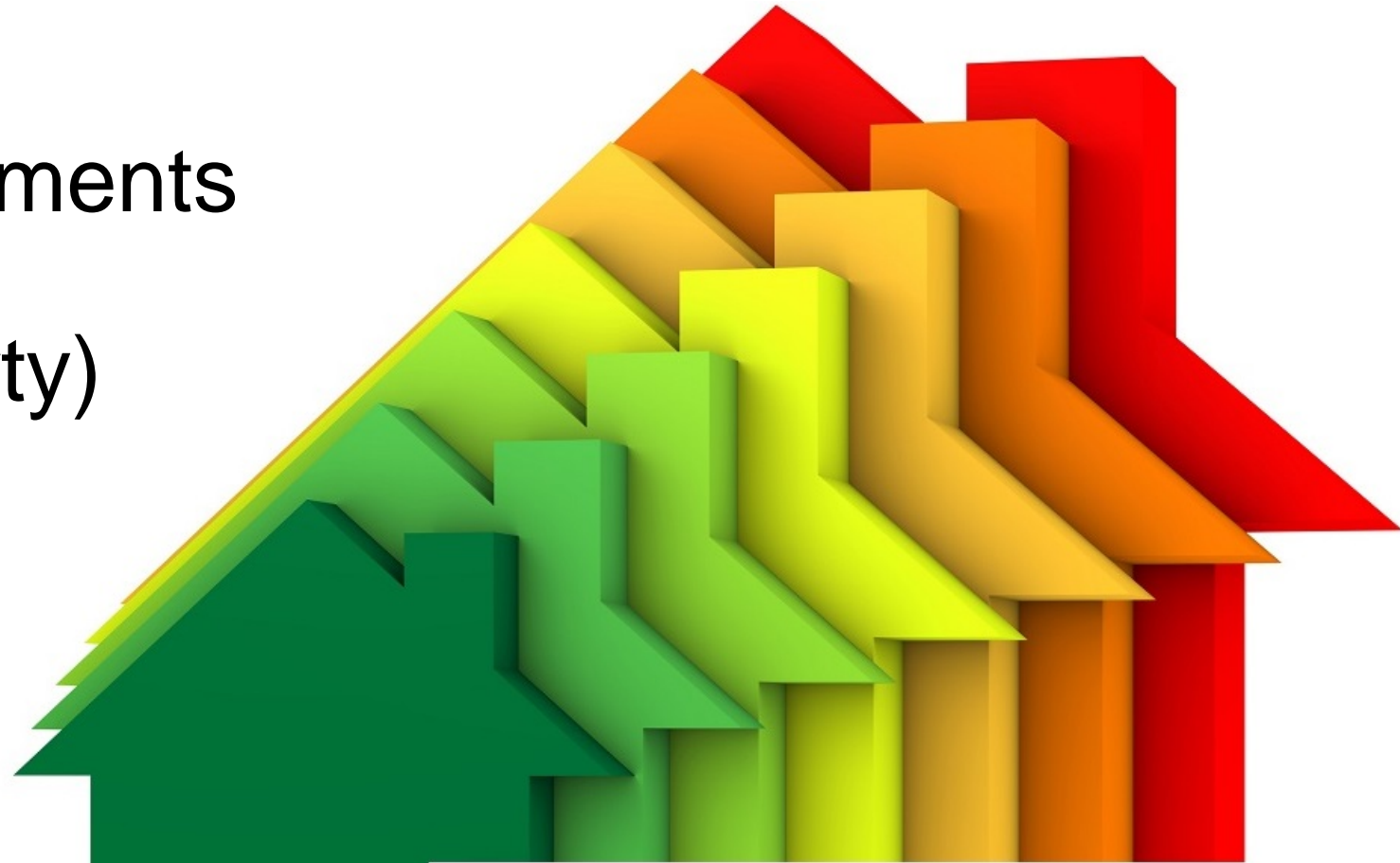


# 16 Facts on NRI Investments in Real Estate (Property)

E-Book compiled by-

WealthWisher Financial Planners & Advisors

[www.thewealthwisher.com](http://www.thewealthwisher.com)



THEWEALTHWISHER

Financial  
Planning &  
Wealth  
Management



Real estate is one of the most preferred asset class for investors and is popular among NRIs to invest in India



Here's a list of

16

FAQ's on NRI investments in India  
to help you make the  
RIGHT decision

#1

Who  
is an NRI?

# #1



A Non Resident Indian (NRI) is a citizen of India, who stays overseas for employment/carrying on business or vocation or stays abroad under circumstances indicating an intention of staying abroad for an uncertain duration.

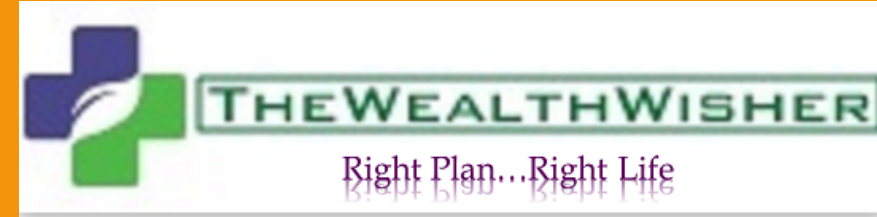


# #2



Who  
is a PIO?

# #2



A person of Indian Origin (PIO) (not being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal and Bhutan) is one, who at any time held an Indian passport or one, whose father or grandfather was a citizen of India.

#3



Who  
is an OCI?



# #3



Any person of full age and capacity, who is not or had been a citizen of Pakistan and Bangladesh shall be eligible for registration as an Overseas Citizen of India, if;

(i) he/she is a citizen of another country, but was a citizen of India at the time of, or at any time after, the commencement of the constitution.

# #3



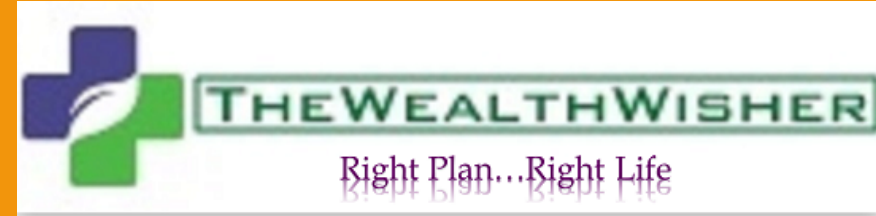
(ii) he/she is a citizen of another country, but was eligible to become a citizen of India at the time of the commencement of the constitution.

# #3



(iii)he/she is a citizen of another country, but belongs to a territory that became a part of India after the 15th Day of August, 1947.

# #3



(iv) who is a child of such a citizen.

A person, who is a minor child of a person mentioned in the above clauses is also an OCI.

# #4



Who is eligible to buy  
immovable property in  
India?



# #4



Any Person of Indian Origin (PIO), an individual not being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal and Bhutan, can buy immovable properties in India if

- (i) he/she, at any time, held Indian passport or
- (ii) whose father or whose grandfather was a citizen of India.

# #5



What are the documents  
required to buy a  
property in India?

# #5



The documents required are

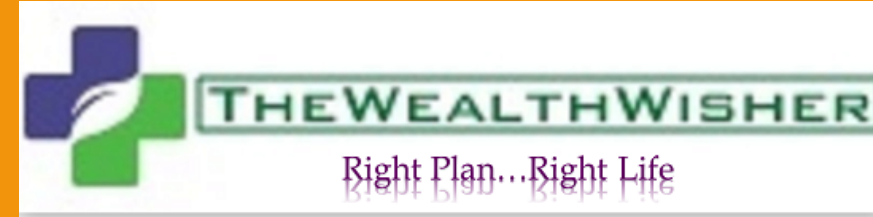
- (a) Pan card (Permanent account number)
- (b) OCI/PIO card (In case of OCI/PIO)
- (c) Passport (In case of NRI)
- (d) Passport size photographs
- (e) Address proof

# #6



What are the kind of properties an NRI/PIO cannot buy?

# #6

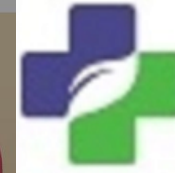


An NRI/PIO cannot usually buy agricultural land/plantation property/farm houses in India. Proposals to buy such land have to be specifically approved by RBI, in consultation with the Government of India.

The only way they can acquire an agricultural land is by inheritance.



# #7



THE WEALTHWISHER

Right Plan... Right Life

Are there any limits to the number of properties to be bought by NRIs?

# #7



An NRI/PIO can buy two residential properties in India.

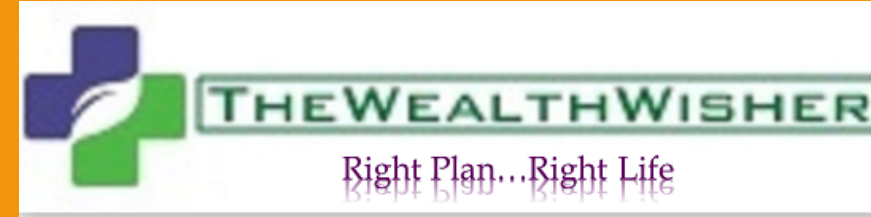
If the funds are from a rupee account then the limitation is that the person has to hold the money in the account or in India for 10 years.

# #8



How can an NRI make the transaction while buying a property?

# #8



While making the payment for purchasing a property, funds can be remitted to India from abroad through regular banking channels or through the balance in the NRE, NRO or FCNR account.

#9



What is an  
NRE account?

Should I Open  
a  
NRE Account

Should I Open  
a  
NRO Account



# #9



Non-Resident External (NRE) account is a bank account that is opened by depositing foreign currency at the time of opening a bank account.

# 10



What is an  
NRO account?

Should I Open  
a  
NRE Account

Should I Open  
a  
NRO Account

# # 10



Non-Resident Ordinary (NRO) account is the normal bank account opened by an Indian who is to go abroad with the intention of becoming an NRI.

# #11

Can an NRI sell  
residential or commercial  
property in India?

# # 11



An NRI can sell residential or commercial property in India to any resident Indian, an NRI or Person of Indian origin (PIO). However, agricultural, plantation land or a farm house can be sold only to a person who is resident in and citizen of India.



# #12



How is income tax applicable in the case of properties owned in India?

# TAXES



# # 12



If you are an NRI and have only one global property which is in India, then you are not liable to pay any income tax.

However, if you own a property abroad and a property in India, then whether or not you rent out the property in India, you would have to pay income tax on deemed rental income on the property.

# #13



How is capital gains tax applicable in the case of an NRI?

# # 13



The profit on sale of a property is part of capital gains. Hence, Capital Gains Tax (CGT) – both short term and long term is payable on the part of an NRI as and when he/she sells off the house or part of it.

# #14



How does Double Taxation  
Avoidance Agreement work  
in case of NRIs?



# # 14



In case of sale of an immovable property, the Double Tax Avoidance Agreement (DTAA) with most countries state that capital gains will be taxed in the country where the immovable property is situated.



# #15



THE WEALTH WISHER

Right Plan...Right Life

FOR RENT  
Is rental income from  
property repatriable?

# # 15



Rental income from property is repatriable as per the norms of RBI. Rental income is subject to income tax deduction and certification from a chartered accountant.

# #16



Can an NRI remit current income (rent) from India?



# # 16



NRI/PIO can remit rental income from India to NRE account when certain documents are in place.

The documents include a request letter, Form A2, FEMA declaration, original copies of 15 CA and CB duly signed by the remitter and CA, rent agreement and proof of rent amount remitted to NRE account, proof of tax payment, etc.



Do you have more questions related to NRI  
investments?

Get them answered on our Website





THEWEALTHWISHER

# Financial Planning & Wealth Management

**The Financial Planning & Wealth Management Experts**

Call/WhatsApp +91 9828156400 +91 9929145054

Email [madhupam@thewealthwisher.com](mailto:madhupam@thewealthwisher.com)

Website [www.thewealthwisher.com](http://www.thewealthwisher.com)

