

## NRI's

### Who is a non-resident Indian (NRI)?

An Indian Citizen who stays abroad for employment/carrying on business or vocation outside India or stays abroad under circumstances indicating an intention for an uncertain duration of stay abroad is a non-resident. (Persons posted in U.N. organisations and officials deputed abroad by Central/State Governments and Public Sector undertakings on temporary assignments are also treated as non-residents). Non-resident foreign citizens of Indian Origin are treated on par with non-resident Indian citizens (NRIs) for the purpose of certain facilities.

### Who is a person of Indian Origin?

For the purposes of availing of the facilities of opening and maintenance of bank accounts and investments in shares/securities in India. A foreign citizen (other than a citizen of Pakistan or Bangladesh) is deemed to be of Indian origin, if, he, at any time, held an Indian passport, or he or either of his parents or any of his grand parents was citizen of India by virtue of the Constitution of India or Citizenship Act, 1955 (57 of 1955).

**Note:** *A spouse (not being a citizen of Pakistan or Bangladesh) of an Indian citizen or of a person of Indian origin is also treated as a person of Indian origin for the above purposes provided the bank accounts are opened or investments in shares/securities in India are made by such persons only jointly with their NRI spouses.*

For investments in immovable properties.

(A foreign citizen (other than a citizen of Pakistan, Bangladesh, Afghanistan, Bhutan, Sri Lanka, or Nepal), is deemed to be of Indian origin if, )

He held an Indian passport at any time, or

he or his father or paternal grand-father was a citizen of India by virtue of the (Constitution of India or the Citizenship Act, 1955 (57 of 1955)).

### Do foreign citizens of Indian origin require permission of Reserve Bank to purchase immovable property in India for their residential use?

Reserve Bank has granted general permission to foreign citizens of Indian origin, whether resident in India or abroad, to purchase immovable property in India for their bona fide residential purpose. They are, therefore, not required to obtain permission of Reserve Bank.

He or his father or paternal grand-father was a citizen of India by virtue of the (Constitution of India or the Citizenship Act, 1955 (57 of 1955)).

[In what manner the purchase consideration for the residential immovable property should be paid by foreign citizens of Indian origin under the general permission?](#)

The purchase consideration should be met either out of inward remittances in foreign exchange through normal banking channels or out of funds from NRE/FCNR accounts maintained with banks in India.

What are the formalities required to be completed by foreign citizens of Indian origin for purchasing residential immovable property in India under the general permission? They are required to file a declaration in form IPI 7 with the Central Office of Reserve Bank at Mumbai within a period of 90 days from the date of purchase of immovable property or final payment of purchase consideration alongwith a certified copy of the document evidencing the transaction and bank certificate regarding the consideration paid.

[Can such property be sold without the permission of Reserve Bank?](#)

Yes. Reserve Bank has granted general permission for sale of such property. However, where the property is purchased by another foreign citizen of Indian origin, funds towards the purchase consideration should either be remitted to India or paid out of balances in NRE/FCNR accounts.

[What is the procedure for seeking such repatriation?](#)

Yes. Reserve Bank has granted general permission for sale of such property. However, where the property is purchased by another foreign citizen of Indian origin, funds towards the purchase consideration should either be remitted to India or paid out of balances in NRE/FCNR accounts.

[Are any conditions required to be fulfilled if repatriation of sale proceeds is desired?](#)

Applications for repatriation of sale proceeds are considered provided the sale takes place after three years from the date of final purchase deed or from the date of payment of final instalment of consideration amount, whichever is later.

[Can foreign citizens of Indian origin acquire or dispose of residential property by way of gift?](#)

Yes. Reserve Bank has granted general permission to foreign citizens of Indian origin to acquire or dispose of properties up to two houses by way of gift from or to a relative who may be an Indian citizen or a person of Indian origin whether resident in India or not, subject to compliance with applicable tax laws.

[Can authorised dealer grant housing loan to non-residents of Indian nationality where he is a principal borrower with his resident close relative as a co-obligant/guarantor or where the land is owned jointly by such NRI borrower with his resident close relative?](#)

Yes. However, in such cases the payment of margin money and repayment of the loan instalments should be made by the NRI borrower.