

Investment Options for NRIs in India

Sample



Types of NRI Bank Accounts

Non resident Indians are not allowed to open a savings bank account in India.

Therefore, they have to open certain different types of accounts in India for various purposes, including investments.

Basis	NRE Account	NRO Account	FCNR Account
Currency	Indian Rupee	Indian Rupee	Foreign Currencies
Primary Purpose	Foreign earned income can be deposited here	For Indian earned income	Foreign earned income can be deposited here
Types of Accounts	Savings A/c & Fixed Deposit A/c	Savings A/c & Fixed Deposit A/c	Fixed Deposit A/c Only
Repatriation	Fully repatriable	Up to USD 1 million per financial year but not repatriated	Repatriable
Taxation	The entire balance & interest earned is exempt from tax	Interest portion is taxable as per the income tax slab	The entire balance & interest earned is exempt from tax
Foreign exchange risk	Present	Not present	Not present
Joint account	Can be opened with another NRI only	Can be opened with another NRI or resident Indian	Can be opened with another NRI only

Investment options & NRI

Sample

Type of Investment	Can NRIs Invest
Bank Fixed Deposits	Yes
Mutual Funds	Yes
Direct Equity	Yes
Real Estate	Yes
Sovereign Gold Bonds	NO
Government securities	Yes
National Pension System	Yes
Public Provident Fund	No
Post office Schemes	No
PMS	Yes

NRI Taxation in Mutual Funds

Capital Gains

Equity Schemes

Short Term Capital Gains 15%

Long Term Capital Gains 10% above Rs 1lakh.

Other than Equity Schemes

Short Term Capital Gains As Per Investors' Tax Slab

Long Term Capital Gains Listed – 10% with indexation
Unlisted – 10% without indexation

Tax Deducted at Source

Equity Schemes

Short Term Capital Gains 15%

Long Term Capital Gains 10%

Other than Equity Schemes

Short Term Capital Gains 30%

Long Term Capital Gains Listed – 20% with indexation
Unlisted – 10% without indexation

NRI Taxation in Mutual Funds

Sample	
Income Tax	As per above for Tax Slab
Withholding Tax	20%

* Surcharge and Cess as applicable on above tax rates.

Sample

Thank You