

# **TAXABILITY, REGULATIONS AND FUTURE OF NRI INVESTMENTS IN INDIA**



# Who is a NRI ? For Banking & Investment Purposes



# Who is a NRI ? For Banking & Investment Purposes

## I) As per FEMA (Foreign Exchange Management Act)

A) A person residing in India for more than 182 days during the course of preceding financial year but does not include :

A person who has gone out of India or who stays outside India, in either case -

- for or on taking up employment outside India; or
- for carrying on a business or vocation outside India; or
- for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period.



# Who is a NRI ? For Banking & Investment Purposes

## I) As per FEMA 1999

A person who has come to or stay in India, in either case, otherwise than –

- for or on taking up employment inside India; or
- for carrying on business or vocation in India, or
- for any other purpose in such circumstances as would indicate his intention to stay in India for an uncertain period.

**Person other than the above is a Non Resident**

B) Students going abroad are treated as NRI under RBI Circular : AP (DIR Series) Circular No. 45 December 8, 2003.

# Who is a NRI ? For Banking & Investment Purposes

## II) Overseas Citizens of India (OCI)

Following categories of Foreign National can be considered as “OCI” and can apply for OCI Card.

1. For person who are of full age.
  - A. Citizen of India on or after 26.01.1950, or
  - B. Eligible to become citizen of India on 26.01.1950, or
  - C. Belonged to a territory that became part of India after 15.08.1947, or
  - D. Child or a grandchild or a great grandchild of such a citizen, or
2. Minor child of such persons mentioned above.

# Who is a NRI ? For Banking & Investment Purposes

## II) Overseas Citizens of India (OCI)

3. Who is a minor child and whose both parents are citizens of India or one of the parents is a citizen of India, or
4. Spouse of foreign origin of a citizen of India and spouse of foreign origin of an OCI Card holder. The marriage has to be registered and subsisted for a continuous period of not less than two years

However persons who have ever been citizens of Pakistan & Bangladesh cannot be considered as OCI & cannot apply for OCI Card.



# Banking Regulations for NRI

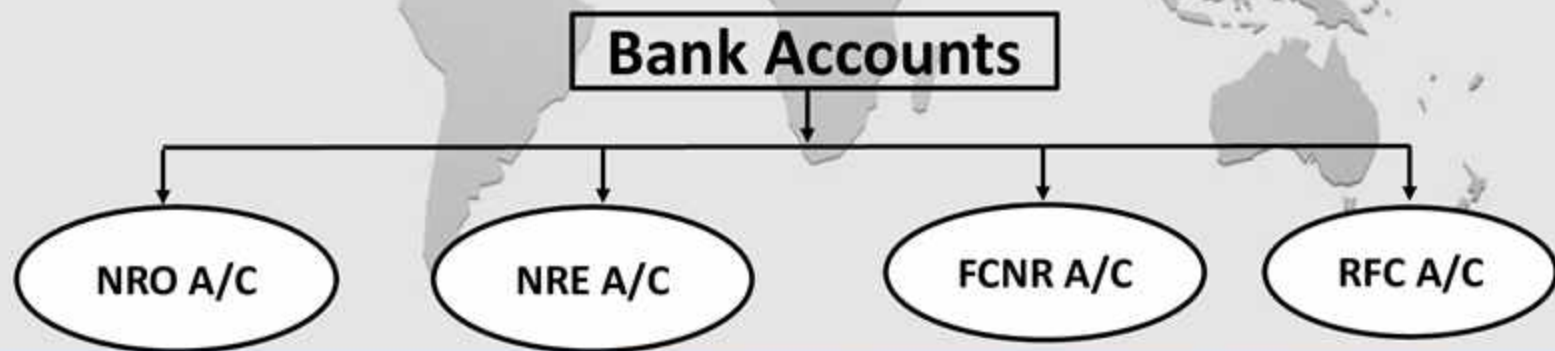


# Banking Regulations for NRI

## INTRODUCTION

- ✓ In India, definition of NRI as per FEMA regulations and all who are eligible for OCI Card will be considered as NRI for various types of Bank accounts in India.
- ✓ NRI are not allowed to keep Resident Indian savings account in India.
- ✓ Either the savings account is to be closed or converted in NRO account.

## TYPES OF BANK ACCOUNT :





# Banking Regulations for NRI

## Bank Accounts by NRI

### NRO Account

- ✓ Non-repatriable rupee account.
- ✓ When Resident Indian becomes NRI, his existing account changes to NRO and banks need to be informed.
- ✓ Credits and debits of Non-repatriable funds.
- ✓ The income from the account is taxable under Income Tax.
- ✓ Joint account with another NRI / PIO or with resident can be opened.
- ✓ Loan available against this account in Indian Rupees.

# Banking Regulations for NRI

## Bank Accounts by NRI

### NRE Account

- ✓ Remittance from abroad or other NRE or FCNR Accounts.
- ✓ Balance held in rupees but are repatriable.
- ✓ Proceeds on maturity of repatriable assets can be credited.
- ✓ Foreign exchange can be credited by NRI himself.
- ✓ The income from the account is exempted from Income Tax.
- ✓ Loan can be availed against the balances in this account, in Indian Rupees.
- ✓ Joint account with another NRI/PIO or with resident relative\* can be opened.

\* Definition of Relative / Close Relative as per Companies Act for FEMA & RBI regulations

# Definition of Relative / Close Relative

As per Companies Act for FEMA & RBI regulations

- 
- ✓ Husband & wife.
  - ✓ Father & Mother.
  - ✓ Brother & Sister.
  - ✓ Son, Daughter & their Spouse.
  - ✓ Members of HUF.



# Banking Regulations for NRI

## Bank Accounts by NRI

### FCNR Accounts

- ✓ Deposits in specified foreign currencies.
- ✓ Different Interest rates for holding deposits in different currencies. Swap between currencies possible.
- ✓ Transfer to NRE and vice versa possible.
- ✓ The income from the account is exempted from Income Tax.
- ✓ Loan can be availed against the balances in this account, in Indian Rupees and specified foreign currency.
- ✓ Joint account with another NRI / PIO or with resident relative\* can be opened.

\* Definition of Relative / Close Relative as per Companies Act for FEMA & RBI regulations

# Banking Regulations for NRI

## Bank Accounts by NRI

### RFC Account

- ✓ This account can be maintained by returning NRIs.
- ✓ This account can be opened and maintained in any convertible foreign currency.
- ✓ The income from this account is exempted from Income Tax for individual under NR and 'R but not OR' status.
- ✓ Loan not available against this account.
- ✓ Credits of foreign exchange assets, NRE & FCNR balances.

# Banking Regulations for NRI

Account type	Domestic / Resident Account	Non Resident Ordinary (NRO) Account	Non Resident External (NRE) Account	Foreign Currency Non Resident (FCNR - B) Account
NRI	Not Permitted	Permitted	Permitted	Permitted
Foreign Nationals on employment in India	Permitted	Not Permitted	Not Permitted	Not Permitted
Foreign Students studying in India	Not Permitted	Permitted	Not Permitted	Not Permitted
Foreign Tourists on short visit to India	Not Permitted	Permitted	Not Permitted	Not Permitted








# India as a Destination for Investments



# India as a Destination for Investments

## Developed Economies Vs. Emerging Economies

### Developed Economies

				
U. S. A.	Japan	Germany	France	U. K.
2.30%	2.10%	2.80%	2.20%	1.50%

# India as a Destination for Investments

Developed Economies Vs. Emerging Economies

Major Emerging Economies (BRICS)



China  
6.10 %

Russia  
1.10 %

Brazil  
0.90 %

India  
6.10 %

South Africa  
0.70 %

**Projected GDP Growth is 7%, India in a Sweet Spot**



# India as a Destination for Investments

## Quality of Governance in India

- 
- ✓ Decisive Majority.
  - ✓ Commitment.
  - ✓ Quality of decision making.
  - ✓ Globally unparalleled, top leadership.

# India as a Destination for Investments

## Inflation of the top 20 economies of the world

Rank	Country	Inflation %
1	Turkey	15.7
2	Russia	4.7
3	Brazil	3.8
4	Mexico	3.8
5	Indonesia	3.2
6	India	3.4
7	China	2.3
8	Netherlands	2.5
9	Canada	2
10	United Kingdom	1.8

Rank	Country	Inflation %
11	United States	1.8
12	Germany	1.5
13	Australia	1.6
14	France	1.2
15	Italy	0.7
16	Japan	1
17	South Korea	0.5
18	Switzerland	0.6
19	Spain	0.7
20	Saudi Arabia	-1.1

Source : [www.imf.org/external/datamapper](http://www.imf.org/external/datamapper)

# India as a Destination for Investments

## Interest Rates in the top 20 economies of the world

Rank	Country	Interest %
1	Turkey	14
2	Mexico	7.75
3	Russia	6.5
4	Brazil	5
5	Indonesia	5
6	India	5.15
7	China	4.20
8	Saudi Arabia	2.25
9	United States	1.5
10	Canada	1.75

Rank	Country	Interest %
11	South Korea	1.25
12	Australia	0.75
13	United Kingdom	0.75
14	Spain	0
15	France	0
16	Germany	0
17	Italy	0
18	Netherlands	0
19	Japan	-0.1
20	Switzerland	-0.75

Source : [www.cbrates.com](http://www.cbrates.com)



# India as a Destination for Investments

## Global Commodity Prices ( Year end )

Crude Oil :

2014	2015	2016	2017	2018	As on 04-11-2019
106.40	52.99	34.74	55.70	57.36	62.52

Price of Brent crude in US \$

Source : [www.countryeconomy.com/raw-materials/brent](http://www.countryeconomy.com/raw-materials/brent)

# India as a Destination for Investments

## Stock Market Performance in last 1 year

S.No.	Country	% Change
1	Russia – MCEX	24.55
2	Brazil – Bovespa	23.76
3	Italy - FTSE MIB	20.39
4	India – Sensex	16.62
5	USA Nasdaq	14.79
6	Australia - S&P/ASX 200	14.39
7	China - Shanghai Composite	13.66
8	Switzerland – SMI	13.63
9	Germany – DAX	13.22
10	France - CAC 40	13.12

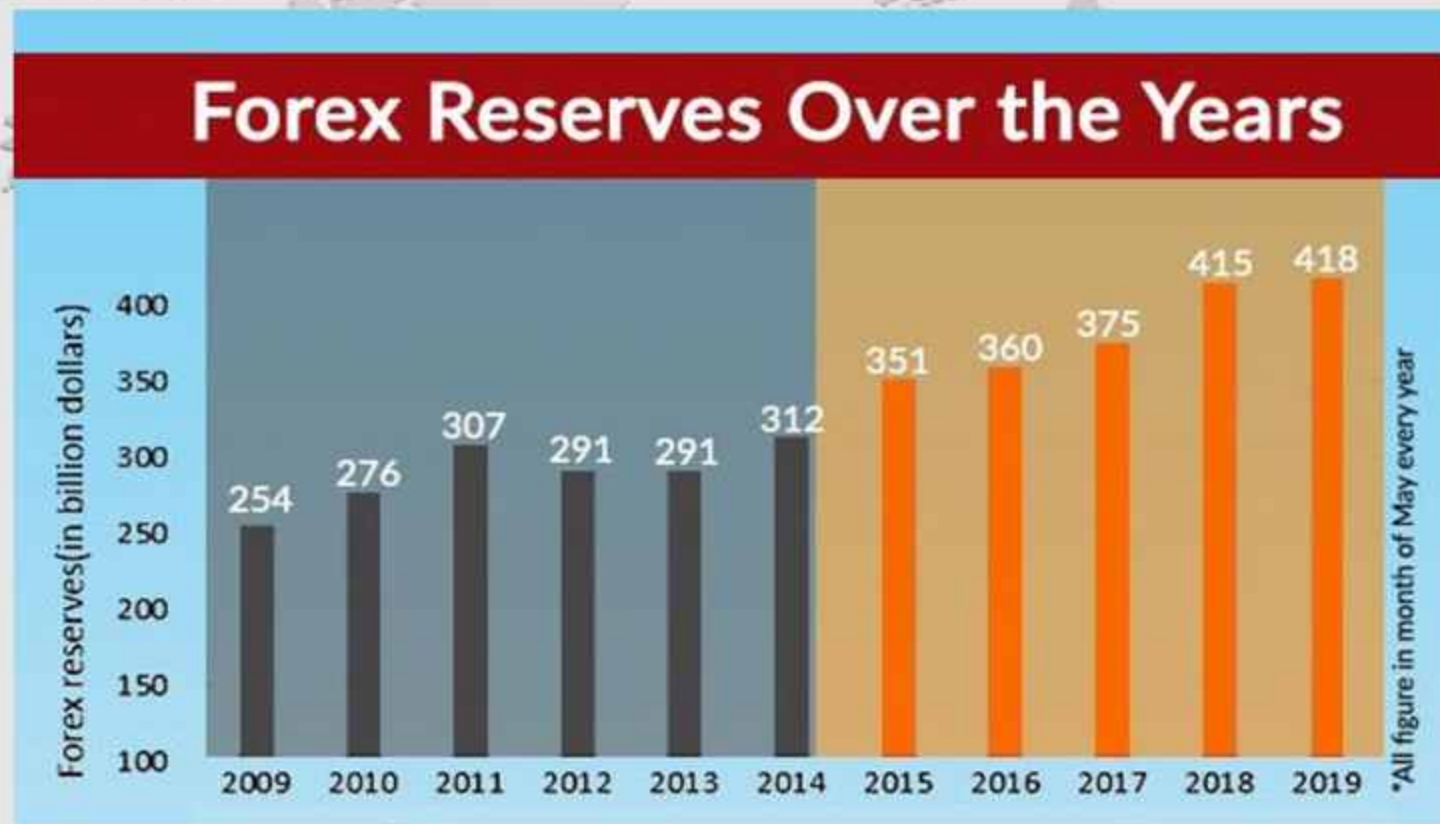
S.No.	Country	% Change
11	Netherlands – AEX	11.97
12	Canada - S&P/TSX Composite	10.43
13	Turkey - BIST 100	9.16
14	Indonesia – IDX	6.44
15	Spain – IBEX	4.89
16	Japan - NIKKEI 225	4.24
17	Korea – KOSPI	3.47
18	U K - FTSE 100	2.45
19	Saudi Arabia - Tadawul All Share	2.10
20	Mexico -S&P/BMV IPC	-0.29

01-10-2018 to 31-10-2019

Source : [www.investing.com](http://www.investing.com)

# India as a Destination for Investments

## Forex Reserves



## Healthy Forex Reserves



# India as a Destination for Investments

## Exchange Ratio – Stable



2014 – 15	2015 – 16	2016 – 17	2017 – 18	2018 – 19	31 <sup>st</sup> Oct. 2019
61.14	65.50	67.10	64.50	69.90	70.90

Rs. 9.76 depreciation.

15.97 % depreciation over 5 years time.

# India as a Destination for Investments

**Foreign Institutional Investment ( FII )**

**V/s.**

**Domestic Institutional Investments ( DII )**

Amount in Cr

Year	2015	2016	2017	2018	As on 31 <sup>st</sup> Oct. 2019
FII	-20373	- 10582	- 44108	- 73212	26262
DII	67586	35362	90738	109661	50968

Source : [www.moneycontrol.com/stocks/marketstats](http://www.moneycontrol.com/stocks/marketstats)

# India as a Destination for Investments

## Assured flows from Domestic Investors

Month	Mutual Funds SIP flows / Month (Rs. Cr.)
March 2016	2,719
March 2017	4,335
March 2018	7,119
Sept. 2019	8,263

**That is Rs. 99,156 ( 8,263 X 12 ) Crores annually.**

Source : [www.amfiindia.com/mutual-fund](http://www.amfiindia.com/mutual-fund)



# India as a Destination for Investments



## Challenges before the economy

- ✓ Revival of demand
- ✓ Providing liquidity in the economy
- ✓ Fiscal discipline.

# Various investment options in India for NRI – understanding it's Pros & Cons



# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based options (Fixed Income)

FDs with State Bank of India as on 10-10-2019

Duration	NRE	NRO	FCNR			
			GBP	USD	EURO	YEN
1 Year	6.4	6.4	1.18	2.58	0.01	0.02
Above 1 year to less than 2 years	6.4	6.4	1.18	2.58	0.01	0.02
2 years to less than 3 years	6.25	6.25	1.17	2.4	0.01	0.05
3 years to less than 4 years	6.25	6.25	1.14	2.32	0.01	0.05
4 years to less than 5 years	6.25	6.25	1.12	2.29	0.1	0.05
5 years	6.25	6.25	1.12	2.28	0.15	0.05

Investment	Taxation levy in India	TDS Rate
NRO Interest	At normal rate	30% (U/s. 195 - Any other investment) Subject to DTAA
NRE Interest	Tax Free	Tax Free
FCNR Interest		



# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based options (Fixed Income)

FDs with ICICI Bank as on 01-11-2019

Duration	NRE	NRO	FCNR			
			GBP	USD	EURO	YEN
1 Year	6.4	6.4	0.99	2.47	0.01	0.01
Above 1 year to less than 2 years	6.4	6.4	0.99	2.47	NA	NA
2 years to less than 3 years	6.25	6.25	1.02	2.37	NA	NA
3 years to less than 4 years	6.25	6.25	0.76	2.05	NA	NA
4 years to less than 5 years	6.25	6.25	0.76	2.06	NA	NA
5 years	6.25	6.25	0.76	2.05	NA	NA

Investment	Taxation levy in India	TDS Rate
NRO Interest	At normal rate	30% (U/s. 195 - Any other investment) Subject to DTAA
NRE Interest	Tax Free	Tax Free
FCNR Interest		

# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based options – NRO FD with NBFC

Housing Development Finance Corporation (HDFC)

Interest Rate (upto Rs. 2 Cr.)					
Period (Months)	Monthly Option	Quarterly Option	Half - Yearly Option	Annual Option	Cumulative Option
12 – 23	7.25%	7.30%	7.37%	---	7.52%
24 - 36	7.25%	7.30%	7.37%	7.52%	7.52%

Investment	Taxation levy in India	TDS Rate
NRO Interest	At normal rate	30% (U/s. 195 - Any other investment) Subject to DTAA



# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based Mutual Funds

<u>Sr. No</u>	<u>Scheme Name</u>	<u>Modified Duration</u>	<u>1 YR</u>	<u>3 Yr</u>	<u>US / CANADA</u>			<u>AFRIC A</u>
		(in days)	(in %)	(in %)	<u>POA</u>	<u>DECLARATION / FATCA</u>	<u>SIP / STP</u>	
1	Kotak Banking and PSU Debt Fund Regular Plan	2.84 Y	12.26	7.99	✓	DECLARATION	✓	✓
	Rolling returns-Maximum	----	12.66	10.07	----			
	Rolling returns-Minimum	----	2.12	4.16				
	Quartile		2	1				
2	HDFC Corporate Bond Fund ( Medium Term Opportunities Fund ) Merges	3.10 Y	11.72	7.88	✓	DECLARATION	×	✓
	Rolling returns-Maximum		13.16	11.1				
	Rolling returns-Minimum		3.65	7.39	----			
	Quartile		2	1				
3	IDFC Credit Risk Fund (IDFC Credit Opportunities Fund ) - Regular Plan	2.07 Y	9.68	-	✓	DECLARATION	×	✓
	Rolling returns-Maximum		9.21	-				
	Rolling returns-Minimum		2.94	-	----			
	Quartile		1	-				



# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based Mutual Funds

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Mutual Fund Investments (other than Equity Oriented).	Holding less than 3 years – Short Term Capital Gain. – At normal rates.	30% (U/s. 195 – Any other income).
	Holding more than 3 years – Long Term Capital Gain. – Capital gain @ 20% with Indexation ( <u>Listed</u> ) U/s. 112(1)(C)(ii)	20% (U/s. 195 – Other LTCG not covered U/s 10(33), 10(36) and 112A).
	Holding more than 3 years – Long Term Capital Gain. – Capital gain @ 10% without Indexation ( <u>Unlisted</u> ). (U/s. 112(1)(C)(iii)).	10% (U/s. 195 – income by way of LTCG referred in Section 115E or Section 112(1)(c)(iii)).

# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based options

### Public Provident Fund (PPF)

- ✓ NRI are not allowed to open PPF account in India.
- ✓ If the PPF account is opened as resident status and later became NRI, they are allowed to make contribution to the account and continue that account up to maturity.
- ✓ On Maturity, the NRI have to compulsorily close the account.
- ✓ The income generated (interest income) from PPF investment is fully Tax Free.
- ✓ Changes in PPF Scheme on 03/10/2017 has been revoked vide F No. 01/10/2016 – NS. Ministry of Finance Dt. 23/02/2018.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Debt based options

### CONCEPT OF REAL RETURN ON INVESTMENTS

	India	Developed Economies
Rate of Return on Fixed Deposit / CD	6.25 %	2.00 %
<b>NOMINAL RATE</b>		
Less : Inflation in respective economy	3.50 %	1.00 %
<b>REAL RATE OF RETURN</b>	2.75 %	1.00 %



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

WHAT ARE THE RETURN EXPECTATIONS ON INVESTMENTS IN INDIAN EQUITY ?

	In %
<b>Rate of GDP Growth</b> (Average real growth of the country during the investment period)	6.50 %
<b>Add : Inflation</b> (Average inflation)	3.50 %
<b>Add : Outperformance</b> by stock / companies in which we invest	2.00 %
<b>Total</b>	12.0 %

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Direct Equity investments

- ✓ Buying and selling of stocks through NRO – PIS or NRE – PIS Account.
- ✓ Shares acquired as Resident Indian, received as a gift, can be held in Non – PIS Account.
- ✓ Requires constant attention & allocation of time to deal through this route.

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Direct Equity investments

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Equity Investments	Period of holding less than 1 year – Short Term Capital Gain. Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain. Capital gain @ 10%. Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A ).



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity based Portfolio Management Service (PMS)

- ✓ Investment in a portfolio of Equity Shares.
- ✓ Diversification of stocks.
- ✓ Taxation when shares are transferred. No notional tax in US.
- ✓ Choice of portfolio options and also choice of fund manager is available as per specific needs.
- ✓ PMS portfolio unimpacted by inflow & outflow of other investors.
- ✓ Limited restrictions on fund management.
- ✓ Minimum investment size Rs. 25,00,000/-.

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity based Portfolio Management Service (PMS)

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Equity Investments (PMS route).	Period of holding less than 1 year – Short Term Capital Gain.  Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain.  Capital gain @ 10%.  Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A ).

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

- ✓ Professional fund management.
- ✓ Diversification of stocks.
- ✓ Ease of operations – no requirement of any Demat Account.
- ✓ Taxation only when units are transferred. Notional taxation in US under PFIC.
- ✓ Wide choice of options suited to specific needs.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Mutual Fund Investments (Equity Oriented).	Period of holding less than 1 year – Short Term Capital Gain.  Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain.  Capital gain @ 10%.  Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A ).

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Change of scene with standardisation of different funds by SEBI. Now all Asset Management Companies (AMC) / Mutual Funds Houses will have to persue the following standardisation only :

Equity Oriented Funds
Investments in Equity (stock market) based instruments.

Hybrid Funds
Combination of Equity (stock market) and Debt (fixed Income) based instruments.

Debt Funds
Investments in Debt based (bonds, govt. securities) instruments.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
1	<b>Large Cap</b>
	(Min. investment in Equity 80% of Large Cap Companies)
	*Large Cap - 1st - 100th Company in terms of full market capitalization
2	<b>Large &amp; Mid Cap</b>
	(Min. investment in Equity 35% of Large Cap Companies & 35% of Mid Cap Stocks)
3	<b>Focused Fund</b>
	(Scheme focused on the number of stocks maximum 30)
4	<b>Multi Cap</b>
	(Min. Investment in 65% Equity across Large Cap, Mid Cap & Small Cap)
5	<b>Mid Cap</b>
	(Min. Investment in 65% Equity across Mid Cap Companies)
	*Mid Cap - 101st - 250th Company in terms of full market capitalization



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
6	<b>Small Cap</b>
	(Min. Investment in 65% Equity across Small Cap Companies)
	*Small Cap - 251st Company onwards in terms of full market capitalization
7	<b>Dividend Yield Fund</b>
	(Scheme should predominantly invest in dividend yielding stocks)
8	<b>Value Fund</b>
	(Scheme should follow a value investment strategy)
9	<b>Contra Fund</b>
	(Scheme should follow a contrarian investment strategy)
10	<b>Sectoral</b>
	Equity – FMCG
	Equity - Pharma & Healthcare
	Equity – Banking

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
11	Index Fund
12	Exchange Traded Fund
13	ELSS (Eligible for deduction U/s. 80 C of the Income Tax Act)
14	Thematic
	Equity – Technology
	Equity – Infrastructure
	Equity – International
	A. USA
	B. Euro
	C. Asia
	D. Global

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

Sr. No.	Equity Scheme & Underlying Assets
15	<b>Equity – Others</b>
	MNCs
	India Gen Next
	Natural Resources & New Energy
	India Consumer
	India Lifestyle Fund
	Diversified Power Sector
	Rural India
	Transportation and Logistics
	Export and Other Services
16	<b>FOFs</b>
	(Minimum Investments in the underling Funds-95% of Total Assets )



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Mutual Funds with Equity

Sr. No.	Hybrid Scheme & Underlying Assets
1	<b>Balanced Hybrid Fund</b> (Equity = 40% to 60% , Debt = 40% to 60% & No arbitrage)
2	<b>Aggressive Hybrid Fund (old Balanced Fund)</b> (Equity = 65% to 80% & Debt = 20% to 35%)(% of Equity on Fund Manager Model Based)
3	<b>Equity Savings Fund</b> (Min. 65% Equity Equity related instruments of total assets & min. investment in debt 10% of total assets. Hedged & unhedge to be stated in the SID) (Mostly 30 to 65% Equity & 35 to 70% Debt)
4	<b>Dynamic Asset Allocation or Balanced Advantage</b> (Equity/debt that is managed dynamically)

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Mutual Funds with Equity

Sr. No.	Hybrid Scheme & Underlying Assets
5	<b>Conservative Hybrid Fund</b> (Equity = 10% to 25% & Debt = 75% to 90%)
6	<b>Hybrid Multi Asset Allocation</b> (Min. allocation of at least 10% each in all three asset classes.)
7	<b>Arbitrage Fund</b> (Scheme following arbitrage strategy in equity & equity related instrument 65% of total assets.) (Taxation till 1 year 15% Above 1 year 10%)
8	<b>Retirement Fund</b>
9	<b>Children's Fund</b>



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Equity oriented Mutual Funds

- ✓ Each Asset Management Company (AMC) have different approach, towards the investments.
  - **Growth approach** – High PE (Expensive) stocks.
  - **Value / Contra approach** – Turnaround stocks – less expensive but uncertain.
  - **Sector approach** – putting larger stress on some sectors.
  - **Concentration** – Some stocks & sectors get bigger bets.



## Various investment options in India for NRI – understanding it's Pros & Cons

### Equity based options

#### Equity oriented Mutual Funds

In times to come, rather than, just making investments in mutual funds, it is very important to build an Investment Portfolio and reviewing it from time to time.

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Alternate Investment Funds (AIF)

TYPE	CATEGORY I	CATEGORY II	CATEGORY III
Criteria	<ul style="list-style-type: none"> <li>* Infra, Social, Non-banked Credit for SME</li> <li>*Special incentives provided by the government</li> <li>*Invest in start ups or early stage ventures or social ventures</li> <li>* Socially or economically desirable areas</li> </ul>	<ul style="list-style-type: none"> <li>* Residual category of funds, invested primarily in unlisted securities</li> </ul>	<ul style="list-style-type: none"> <li>* Funds which are liquid / listed equities</li> <li>* Funds which may invest in derivatives</li> <li>* Funds which employ leverage for investments</li> </ul>
Type of Funds	<ul style="list-style-type: none"> <li>*Venture Capital Funds</li> <li>*SME Funds</li> <li>*Social Venture Funds</li> <li>*Infrastructure Funds</li> </ul>	<ul style="list-style-type: none"> <li>Private Equity Funds</li> <li>*Debt Funds</li> <li>*Fund of Funds</li> <li>*Other Funds (like Real Estate funds) not classified under the other two categories</li> </ul>	<ul style="list-style-type: none"> <li>*Long Only Equity Funds</li> <li>*Long Short Equity Funds</li> </ul>
Cons	<ul style="list-style-type: none"> <li>*Close ended</li> <li>*Not allowed to leverage</li> <li>*Specific Investment restrictions for each sub type</li> </ul>	<ul style="list-style-type: none"> <li>*Close ended</li> <li>*Not allowed to leverage</li> <li>*No restrictions on asset allocation"</li> </ul>	<ul style="list-style-type: none"> <li>* Open or close ended</li> <li>* Leveraging is allowed up to 2x</li> <li>* No restrictions on asset allocation</li> </ul>
Taxation	*Pass through	*Pass through	*Fund level

✓ Minimum investment Rs. 1,00,00,000/-.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Exchange Traded Funds (ETF)

- ✓ Mutual Funds traded on the stock exchange mirroring a specific stock composition or benchmark.
- ✓ A passive fund management option.
- ✓ Presently limited choice, as only very few different types of ETF traded in India.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### Exchange Traded Funds (ETF)

Type of Income	Taxation levy in India	TDS rate (withholding tax rate) *
Exchange Traded Funds (Equity Oriented).	Period of holding less than 1 year – Short Term Capital Gain.  Short Term Capital Gain @15% (U/s. 111A).	15% (U/s. 195 - STCG U/s 111A).
	Period of holding more than 1 year – Long Term Capital Gain.  Capital gain @ 10%.  Exempted upto Rs. 1,00,000.	10% (U/s. 195 – income by way of LTCG referred to in Section 112A ).

# Various investment options in India for NRI – understanding it's Pros & Cons

## Equity based options

### National Pension Scheme (NPS)

- ✓ Any citizen of India (including NRI), between the age of 18 to 60 years can subscribe to the NPS.
- ✓ The fund built out of contribution & return on the same will be used to pay pension to the subscriber after 60 years of age.
- ✓ Wide choice of investment of funds – from Equity oriented, Debt oriented and Hybrid option.
- ✓ Pension is taxable in the hand of recipient as per the tax slab.

## Various investment options in India for NRI – understanding it's Pros & Cons

### Real Estate, (REITs) & InvITs

#### Real Estate

- ✓ Investments can be in Raw Real Estate like Urban land, Agricultural land etc.
- ✓ Investment can be in Finished Real Estate like Residential buildings, Apartments, Shops, Offices etc.
- ✓ Development of infrastructure in the country, changing the Real Estate demand supply scenario.
- ✓ Reduction in the cash economy in the country, impacting the demand of Real Estate.



# Various investment options in India for NRI – understanding it's Pros & Cons

## Real Estate, (REITs) & InvITs

### REITs

- ✓ First REITs (Real Estate Investment Trusts) offering successfully done, listed in April – 2019.
- ✓ Real Estate assets are offered on sale in the form of units.
- ✓ Units are listed on the stock exchange.
- ✓ Appreciation in the value of units and Income distribution per unit, are the return on investments.

## Various investment options in India for NRI – understanding it's Pros & Cons

### Real Estate, (REITs) & InvITs

#### InvITs

- ✓ InvITS (Infrastructure Investment Trust) units offerings have been made available for public.
- ✓ Infrastructure Assets like Road, Highways, Power Assets are offered on sale in the form of units.
- ✓ Units are listed on the stock exchange.
- ✓ Appreciation in the value of units and Income distribution per unit, are the return on investments.

## Various investment options in India for NRI – understanding it's Pros & Cons

### Insurance ( cum Pension Plan )

- ✓ Unit Linked Insurance Plan (ULIP) in its improved form with very low cost comparable to mutual funds.
- ✓ Insurance cover, at least 10 times, of 1<sup>st</sup> year's premium, making all incomes from this plan completely tax free. The contribution every year are eligible for deduction U/s. 80 C.



## Various investment options in India for NRI – understanding it's Pros & Cons

### Insurance ( cum Pension Plan )

- ✓ Various investment options like Equity, Debt, Hybrid etc. available, as per the investor's need and can be switched within the option, without tax implication. This mechanism ensures a very good return at the time of maturity.

Systematic withdrawal is allowed for monthly needs after 5 years, which can work as a Pension Plan.

## Various investment options in India for NRI – understanding it's Pros & Cons

### Insurance ( cum Pension Plan )

- ✓ Five year pay is compulsory.
- ✓ Policy can continue after 5 years, if policy holder desires.
- ✓ Partial withdrawal of 20% of Fund Value is allowed.
- ✓ Fund value or Insurance amount, whichever is higher, is receivable at the time of death.

# Various investment options in India for NRI – understanding it's Pros & Cons

## Insurance ( cum Pension Plan)

### Pre-Requisites

- ✓ Eligible age between 1 day to 55 years. NRI can also take this insurance.
- ✓ It is convenient for and individual to apply for the insurance during visit to India.
- ✓ The individual should have appropriate income.
- ✓ If the premium is paid from NRE A/c, maturity proceeds can be credited to NRE A/c.



# Points for consideration to built a NRI Investment Portfolio



# Points for consideration to built a NRI Investment Portfolio

## On the basis of geographical location of NRI

**NRI from developed economies (US, Canada, UK, Germany, Australia etc).**

- ✓ Debt based option (Fixed Income) is not a worthwhile option for investment in India as the real rate of return between India and Western World is not so significant.
- ✓ Equity oriented options are attractive to participate in India growth story and diversify their investment exposure.
- ✓ Investment in the Equity oriented option through Equity oriented Mutual Funds & Portfolio Management Services (PMS), Insurance etc. are the best route. These portfolios should be built with good quality seasoned advisors.

# Points for consideration to built a NRI Investment Portfolio

## On the basis of geographical location of NRI

**NRI from developed economies (US, Canada, UK, Germany, Australia etc).**

- ✓ Tax compliance in India & abroad are not difficult if you have proper Investment & Tax Advisors in India.
- ✓ Real estate in India is not advisable as they might never ever have to come back to India structurally. Managing, dealing & liquidating real estate in India is a tough task.
- ✓ Investment in India should be made with a clear mandate that it can be liquidated and repatriated from remote location and online.
- ✓ Every decision should be taken with a perspective that the future generation may not be comfortable for taking care of the investments and the formalities, if they are complex.



# Points for consideration to built a NRI Investment Portfolio

On the basis of geographical location of NRI

## NRI from Developing Economies (UAE, Africa etc.)

- ✓ Debt based option (Fixed Income) is worthwhile option for investment in India as that can give them security in case of any unforeseen eventualities and India is safe destination to park funds.
- ✓ Equity oriented options are attractive to participate in India growth story and diversify their investment exposure.
- ✓ Investment in the Equity oriented option through Equity oriented Mutual Funds & Portfolio Management Services (PMS), Insurance etc. are the best routes. These portfolios should be built with good quality seasoned advisors.

# Points for consideration to built a NRI Investment Portfolio

On the basis of geographical location of NRI

**NRI from Developing Economies (UAE, Africa etc.)**

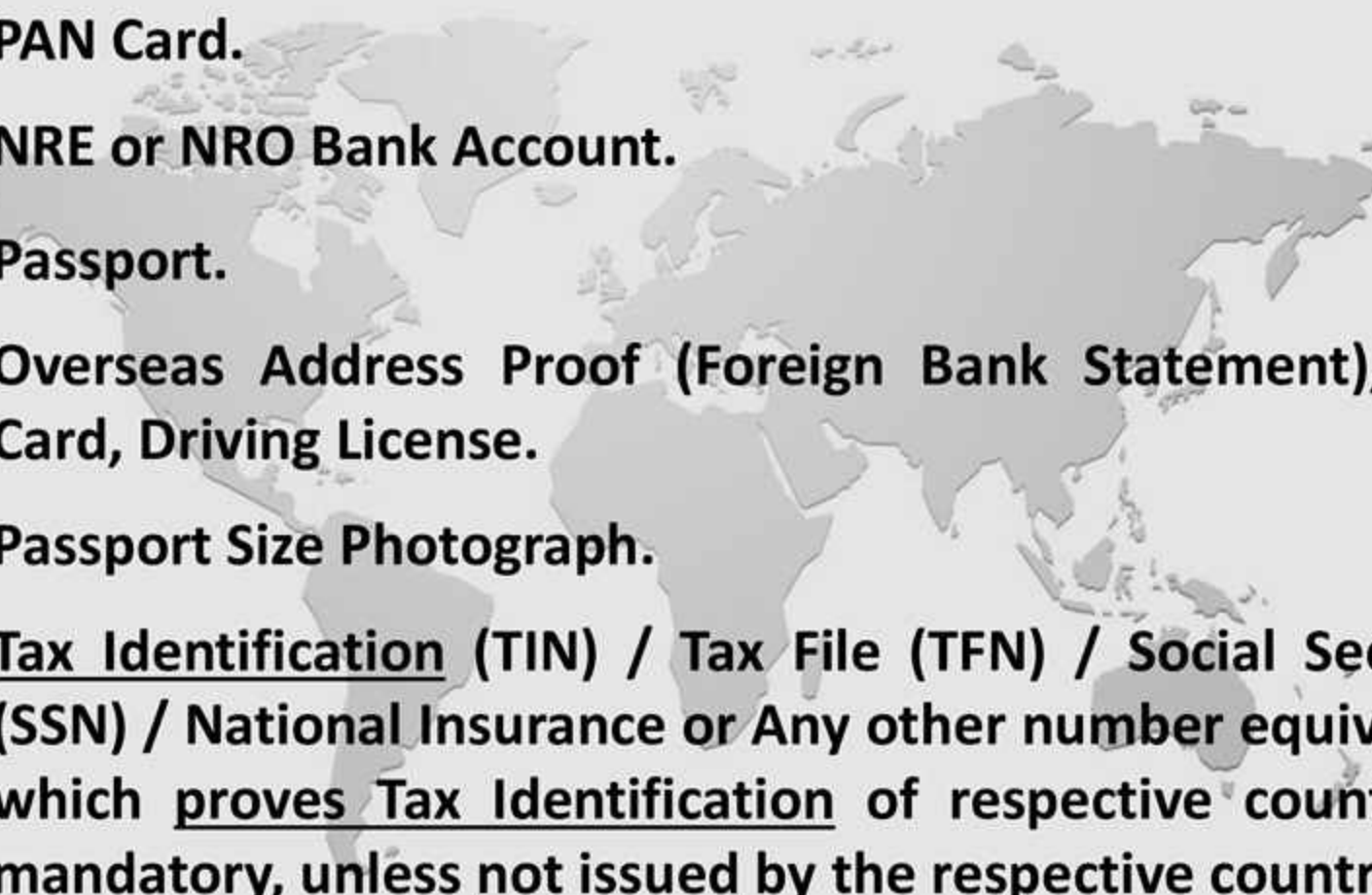
- ✓ It is advisable to hold a guarded residential house and a shop / office, in case any emergencies or change of plans. It is not advisable to keep raw real estate like urban or agriculture lands.
- ✓ Investment in India should be made with a clear mandate that it can be liquidated and repatriated as fast as possible from remote location and online.

# Pre-requisites for NRI investment in India





# Pre-requisites for NRI INVESTMENTS IN INDIA

- 
- ✓ PAN Card.
  - ✓ NRE or NRO Bank Account.
  - ✓ Passport.
  - ✓ Overseas Address Proof (Foreign Bank Statement), OCI Card, Driving License.
  - ✓ Passport Size Photograph.
  - ✓ Tax Identification (TIN) / Tax File (TFN) / Social Security (SSN) / National Insurance or Any other number equivalent which proves Tax Identification of respective country is mandatory, unless not issued by the respective country.

# Pre-requisites for NRI INVESTMENTS IN INDIA

- ✓ All the documents are required, in original, for In-Person-Verification (IPV) (except TIN / TFN and photographs).
- ✓ Bank statements (NRE or NRO or Foreign Bank) must not be more than 3 months older for KYC purposes.
- ✓ Total number of photographs are required as per KYC norms of investment option chosen and the same should be as per the Indian Passport size.
- ✓ Aadhaar Card is not mandatory for NRI to Invest in India.
- ✓ Investment through Online Mode cannot be done from Canada & USA.

# Compliances in Foreign Countries (FATCA, FBAR & CRS)





# Compliances in Foreign Countries (FATCA, FBAR & CRS)



**FATCA (Foreign Account Tax Compliance Act)  
&  
FBAR (Foreign Bank and Financial Accounts)  
&  
CRS (Common Reporting System)**

**has necessitated, without fail, the reporting of Indian incomes in countries where NRI is a Tax Resident.**



**Glimpses of data provided by us to  
our clients to make their tax  
compliance out of India**

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.

Div: Ashutosh NRI Services

Doc. No.: AFSPL-F-ANS-05A

Summary of Incomes & Assets for the Year (USA) ( P & C )

Rev. No. & Date: 00/01.04.18

Name of Client : ABC

S.No.	Type of Income	Amount (in INR)	Amount (in USD)
1	Annexure - I Dividend Income	188,007.00	2,766.22
2	Annexure - II Interest Income (SCSS)	116,150.00	1,676.29
3	Annexure - III Interest Income (SHCIL)	35,000.00	527.01
4	Annexure - IV Interest Income (PPF)	258,600.00	3,971.74
5	Annexure - V Interest Income (JIVANDHARA)	46,932.00	692.20
6	Annexure - VI Interest Income (LIQ DEPOSIT)	34,598.00	525.95
7	Annexure - VII Interest Income (BANK FDR)	1,040,921.00	15,646.98
8	Annexure - VIII Interest Income (BANK)	6,472.00	151.84
9	Annexure - IX Interest Income (RD BOI)	41,031.00	628.10
10	Annexure - X Interest Income (VARISHTHA)	30,956.00	465.36
11	Annexure - XI Interest Income (POWER FIN BOND)	15,431.00	237.40
12	Annexure - XII Other Income (LIC Pension)	24,000.00	369.23
13	Annexure - XIII Loss from ABC	(52,787.00)	(782.61)
14	Annexure - XIV Profit from XYZ	540,000.00	7,938.45
15	Annexure - XV Long Term Capital Gain from Immovable Property	7,350,000.00	105,633.80
16	Annexure - XVI Long Term Capital Gain from Mutual Fund	270,770.00	3,950.54
	Total Income	9,946,081.00	144,398.50
1	Annexure - XVII Details of Closing Balance of Units ( FOR FORM 8621 )		
2	Annexure - XVIII Details of Assets & Mutual Funds as on Closing Date		

Source for exchange rate : [https://www.federalreserve.gov/releases/h10/hist/dat00\\_in.htm](https://www.federalreserve.gov/releases/h10/hist/dat00_in.htm) (The Federal Reserve System)



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
	Doc. No.: AFSPL-F-ANS-05B
Details of Income for the Year (USA) ( P & C )	Rev. No. & Date: 00/01.04.18
Name of Client : ABC	

Annexure - I			
Dividend Income			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
29/03/2018	35,000.00	65.12	537.47
04/06/2018	300.00	67.05	4.47
02/07/2018	28,000.00	68.78	407.10
03/07/2018	625.00	68.58	9.11
06/07/2018	22,296.00	68.80	324.07
31/07/2018	100,000.00	68.54	1,459.00
24/08/2018	600.00	70.09	8.56
21/09/2018	45.00	72.18	0.62
21/09/2018	495.00	72.18	6.86
21/09/2018	646.00	72.18	8.95
Total	188,007.00		2,766.22

Source for exchange rate : [https://www.federalreserve.gov/releases/h10/hist/dat00\\_in.htm](https://www.federalreserve.gov/releases/h10/hist/dat00_in.htm) (The Federal Reserve System)

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
	Doc. No.: AFSPL-F-ANS-05B
Details of Income for the Year (USA) ( P & C )	Rev. No. & Date: 00/01.04.18
Name of Client : ABC	

### Annexure - II

Interest Income (SCSS)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
31/03/2018	18,650	65.11	286.44
30/06/2018	32,500	68.46	474.73
30/09/2018	32,500	72.54	448.03
31/12/2018	32,500	69.58	467.09
Total	116,150		1,676.29

### Annexure - III

Interest Income (SHCIL)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
01/02/2018	15,000	63.97	234.48
01/08/2018	20,000	68.37	292.53
Total	35,000.00		527.01

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.		Div: Ashutosh NRI Services
		Doc. No.: AFSPL-F-ANS-05B
Details of Income for the Year (USA) ( P & C )		Rev. No. & Date: 00/01.04.18
Name of Client : ABC		

Annexure - IV Interest Income (PPF)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
31/03/2018	258,600.00	65.11	3971.74
Total	258,600.00		3,971.74

Annexure - V Interest Income (LIC JIVANDHARA)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
01/01/2018	3,911.00	63.83	61.27
01/02/2018	3,911.00	63.97	61.14
01/03/2018	3,911.00	65.2	59.98
03/04/2018	3,911.00	65	60.17
01/05/2018	3,911.00	66.52	58.79
01/06/2018	3,911.00	66.99	58.38
01/10/2018	3,911.00	72.92	53.63
01/11/2018	3,911.00	73.45	53.25
01/12/2018	3,911.00	69.62	56.18
Total	46,932.00		692.20



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.

Div: Ashutosh NRI Services

Doc. No.: AFSPL-F-ANS-05B

Details of Income for the Year (USA) ( P & C )

Rev. No. & Date: 00/01.04.18

Name of Client : ABC

Annexure - VI

Interest Income (LIQ DEPOSIT)

Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
02/01/2018	373.00	63.46	5.88
01/09/2018	423.00	71	5.96
18/01/2018	3,913.00	63.87	61.27
18/01/2018	32.00	63.87	0.5
18/01/2018	11.00	63.87	0.17
22/01/2018	11,224.00	63.88	175.7
23/04/2018	11,373.00	66.42	171.23
04/06/2018	25.00	67.05	0.37
13/06/2018	3,567.00	67.6	52.77
23/07/2018	825.00	68.84	11.98
05/11/2018	941.00	73.08	12.88
12/11/2018	26.00	72.48	0.36
03/12/2018	53.00	70.4	0.75
31/12/2018	470.00	69.58	6.75
Total	34,598.00		525.95

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.\			Div: Ashutosh NRI Services
			Doc. No.: AFSP-L-F-ANS-05B
Details of Income for the Year (USA) (P & C)			Rev. No. & Date: 00/01.04.18
Name of Client : ABC			
Annexure - VII			
Interest Income (BANK FDR)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
28/01/2018	785.00	63.58	12.35
25/03/2018	3,004.00	64.98	46.23
25/03/2018	16,656.00	64.98	256.33
25/03/2018	9,131.00	64.98	140.52
25/03/2018	1,869.00	64.98	28.76
25/03/2018	159.00	64.98	2.45
31/03/2018	10,737.00	65.11	164.91
31/03/2018	9,886.00	65.11	151.84
31/03/2018	9,886.00	65.11	151.84
31/03/2018	14,079.00	65.11	216.23
31/03/2018	65,411.00	65.11	1004.62
22/09/2018	17,327.00	72.18	240.05
29/09/2018	12,534.00	72.54	172.79
29/09/2018	2,357.00	72.54	32.49
29/09/2018	76,644.00	72.54	1056.58
29/09/2018	23,769.00	72.54	327.67
Total	1,040,921.00		15,646.98

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
Details of Income for the Year (USA) (P & C)	Doc. No.: AFSPL-F-ANS-05B
Name of Client : ABC	Rev. No. & Date: 00/01.04.18

Annexure - VIII			
Interest Income (BANK)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
02/02/2018	29.00	64.11	0.45
25/03/2018	165.00	64.98	2.54
31/03/2018	4.00	65.11	0.06
02/05/2018	574.00	66.71	8.6
04/05/2018	30.00	66.83	0.45
25/06/2018	87.00	68.09	1.28
30/06/2018	2660.00	68.46	38.85
02/08/2018	87.00	68.63	1.27
08/08/2018	582.00	68.65	8.48
25/09/2018	270.00	72.68	3.71
27/09/2018	269.00	72.55	3.71
02/11/2018	17.00	72.44	0.23
03/11/2018	610.00	72.44	8.42
26/12/2018	91.00	70.07	1.3
31/12/2018	277.00	69.58	3.98
Total	6,472.00		151.84



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
	Doc. No.: AFSPL-F-ANS-05B
Details of Income for the Year (USA) ( P & C )	Rev. No. & Date: 00/01.04.18
Name of Client : ABC	

Annexure - IX			
Interest Income (RD BOI)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
24/03/2018	34,449.00	64.98	530.15
30/04/2018	5,713.00	66.5	85.91
22/09/2018	869.00	72.18	12.04
Total	41,031.00		628.10

Annexure - X			
Interest Income (LIC VARISHTH)			
Date	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
01/05/2018	30,956.00	66.52	465.36
Total	30,956.00		465.36

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.			Div: Ashutosh NRI Services
Details of Income for the Year (USA) (P & C)			Doc. No.: AFSP-L-F-ANS-05B
Name of Client : ABC			Rev. No. & Date: 00/01.04.18
<b>Annexure - XI</b>			
<b>Interest Income (POWER FIN BOND)</b>			
<b>Date</b>	<b>Amount (in Indian Rs.)</b>	<b>Exchange Rate</b>	<b>Amount (in Foreign Currency)</b>
03/04/2018	15,431.00	65	237.4
Total	15,431.00		237.40
<b>Annexure - XII</b>			
<b>Other Income (LIC Pension)</b>			
<b>Date</b>	<b>Amount (in Indian Rs.)</b>	<b>Exchange Rate</b>	<b>Amount (in Foreign Currency)</b>
03/04/2018	24,000.00	65	369.23
Total	24,000.00		369.23
<b>Annexure - XIII</b>			
<b>Loss from ABC</b>			
31/03/2018	(24,285.00)	65.11	(372.98)
31/12/2018	(28,502.00)	69.58	(409.63)
	(52,787.00)		(782.61)
<b>Annexure - XIV</b>			
<b>Profit from XYZ</b>			
31/03/2018	180,000.00	65.11	2,764.55
31/12/2018	360,000.00	69.58	5,173.90
	540,000.00		7,938.45

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.							Div: Ashutosh NRI Services		
							Doc. No.: AFSPL-F-ANS-05C		
Computation of Gain on sale of Assets (USA) ( P & C )							Rev. No. & Date: 00/01,04,18		
Name of Client : ABC									
Annexure - XV									
Long Term Capital Gain/Loss on sale of Immovable Property									
Sr No.	Property Details	Date of Purchase	Area	Value of Acquisition (INR)	Date of Sale	Area	Value on date of Sale (INR)	Exchange Rate on Date of Sale	Capital Gain (USD)
1	Land & Buidlings	01/04/2001	156 Sq Mtr	650,000	31/03/2018	138.9 Sq Mtr	8,000,000	69.58	105,633.80



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.										Div: Ashutosh NRI Services			
Computation of Gain on sale of Assets (USA) ( P & C )										Doc. No.: AFSPL-F-ANS-05C			
Name of Client : ABC										Rev. No. & Date: 00/01.04.18			
Annexure - XVI													
S.No.	Scheme Name	Date of Purchase	Qty.	NAV as on Date of Acquisition (INR)	Value of Acquisition (INR)	Adjusted Purchase Cost (INR)	Date of Sale	Qty.	NAV as on Date of Sale (INR)	Value as on date of Sale (INR)	Capital Gain (INR)	Exchange Rate on date of sale (USD)	Capital Gain (USD)
Long Term Capital Gain/Loss on Sale of Mutual Fund													
1	AXIS Equity Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
2	AXIS Equity Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
3	AXIS Equity Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
4	AXIS Equity Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
5	Aditya Birla Mid Cap Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
6	Aditya Birla Mid Cap Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
7	Aditya Birla Mid Cap Fund	27/07/2015	7,869.245	10.000	78,692.450	0.000	31/07/2018	7,869.245	12.708	100,000.00	21,307.550	68.540	310.878
		27/07/2015	2,130.755	10.000	21,307.550	0.000	31/07/2018	2,130.755	12.708	27,077.00	5,769.450	68.540	84.176
Long Term Loss:											270,770.000		3,950.540

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.			Div: Ashutosh NRI Services		
			Doc. No.: AFSPL-F-ANS-14		
Details of Closing Balance of Units (USA) ( FOR FORM 8621 ) ( P & C )			Rev. No. & Date: 00/08.03.19		
Details of Closing Balance of Units as on 31 <sup>st</sup> December,2018 (FOR FORM 8621)					
Name of Funds and its Date of Acquisition	No. of units at the end of the year	Value of Acquisition (INR)	Value of Acquisition (USD)	Closing Value as on 31.12.2018 (INR)	Closing Value as on 31.12.2018 (USD)
AXIS Mid Cap Fund					
Opening Balance 01.01.2018	1,338.19	60,000.00	940.00	71,580.00	1,028.74
Addition Purchase					
25.01.2018	33.231	2000	31.49	1,777.53	25.55
26.02.2018	34.984	2000	30.87	1,871.29	26.89
Aditya Birla Emerging Fund					
Opening Balance 01.01.2018	-	-	-	-	-
Additional Purchase					
01.06.2018	445.34	70,000.00	1,046.34	84,007.02	1,207.34
25.06.2018	11.07	2,000.00	29.37	2,087.99	30.01
Franklin Small & Mid Cap Fund					
Opening Balance 01.01.2018	1,928.69	60,000.00	940.00	71,820.17	1,032.20
Additional Purchase					
25.01.2018	50.65	2,000.00	31.49	1,885.98	27.11
26.02.2018	52.46	2,000.00	30.87	1,953.49	28.08



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
Details of Assets & Mutual Funds as on Closing Date (USA) (P & C)	Doc. No.: AFSPL-F-ANS-05D
Name of Client : ABC	Rev. No. & Date: 00/01.04.18

### Annexure – XVIII

#### Details of Assets as on Closing Date

S.No.	Particulars	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
1	Investment in Mutual Fund	1,510,706.79	69.58	7,043.14
2	Investment in Shares	11,003,019.05	69.58	149,006.27
3	Investment in Proprietorship	786,500.00	69.58	11,303.54
4	Other Assets	20,823,258.00	69.58	299,270.74
	Total	34,123,483.84		466,623.69

Note : Total Tax paid above is withholding of tax which is refundable in India i.e tax liability in India is Nil for year 2018 on the basis of information available with us.

#### Details of Mutual Funds as on Closing Date i.e 31.12.2018:

S.No.	Particulars	Units	NAV	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
1	AXIS Mid Cap Fund	1772.053	53.4900	94,787.11	69.580	1,362.28
2	Aditya Birla Emerging Fund	521.515	188.6340	98,375.46	69.580	1,413.85
3	Franklin Small & Mid Cap Fund	2565.407	37.23780	95,530.11	69.580	1,372.95
4	Sundaram TOP 100 Fund	503.406	200.8651	101,116.70	69.580	1,453.24
5	UTI EQUITY FUND	736.720	136.07970	100,252.64	69.580	1,440.83
6	Reliance Debt Fund	100387.010	10.16710	1,020,644.77	69.580	14,668.65
	TOTAL :			1,510,706.79	69.58	7,043.14



# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
Details of Assets & Mutual Funds as on Closing Date (USA) ( P & C )	Doc. No.: AFSPL-F-ANS-05D
Name of Client : ABC	Rev. No. & Date: 00/01.04.18

Details of Shares as on Closing Date i.e 31.12.2018:

S.No.	Particulars	No. of shares	Market Value	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
1	Reliance Industries Share	2000.000	1120.00	2,240,000.00	69.580	32,193.16
2	Infosys Shares	4000.000	1968.35	7,873,400.00	69.580	113,156.08
3	Tata Steel Shares	200.000	315.00	63,000.00	69.580	905.43
4	Tata Motors Shares	1000.000	176.00	176,000.00	69.580	2,529.46
5	UFO Moviez Shares	48.000	322.00	15,456.00	69.580	222.13
6	MRPL Shares	257.000	28.65	7,363.05	69.580	105.82
7	MCX Shares	300.000	863.00	258,900.00	69.580	3,720.90
8	Coal India Shares	300.000	865.00	259,500.00	69.580	3,729.52
9	ITC Shares	300.000	348.00	104,400.00	69.580	1,500.43
10	Raj Bank Shares	1.000	5000.00	5,000.00	69.580	71.86
11	RNSB Shares	1.000	750.00	750.00	69.580	10.78
TOTAL :				11,003,019.05	69.58	149,006.27

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.	Div: Ashutosh NRI Services
Details of Assets & Mutual Funds as on Closing Date (USA) ( P & C )	Doc. No.: AFSPL-F-ANS-05D
Name of Client : ABC	Rev. No. & Date: 00/01.04.18

Details of Capital in Proprietorship as on Closing Date i.e 31.12.2018:

S.No.	Particulars	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
1	ABC	300,000.00	69.580	4,311.58
2	XYZ	486,500.00	69.580	6,991.95
TOTAL :		786,500.00	69.580	11,303.54

# Compliances in Foreign Countries (FATCA, FBAR & CRS)

## Sample of the data...

ASHUTOSH FINANCIAL SERVICES PVT. LTD.

Div: Ashutosh NRI Services

Doc. No.: AFSPL-F-ANS-05 D

Details of Assets & Mutual Funds as on Closing Date (USA) ( P & C )

Rev. No. & Date: 00/01.04.18

Name of Client : ABC

Details of Other Assets as on Closing Date i.e 31.12.2018:				
S.No.	Particulars	Amount (in Indian Rs.)	Exchange Rate	Amount (in Foreign Currency)
1	Govt Bond	100,000.00	69.580	1,437.19
2	LIC Jivan Akshay	50,000.00	69.580	718.60
3	LIC Pension	255,845.00	69.580	3,676.99
4	LIC Varishtha Pension	33,000.00	69.580	474.27
5	NSC MD 29/03/16	8,000.00	69.580	114.98
6	NSC RS	6,000.00	69.580	86.23
7	NSS	217,723.00	69.580	3,129.10
8	PPF	3,860,000.00	69.580	55,475.71
9	Post Office RD	186,000.00	69.580	2,673.18
10	SBI SCSS	1,500,000.00	69.580	21,557.92
11	SHCIL Saving Bond	500,000.00	69.580	7,185.97
12	UTI 94	20,000.00	69.580	287.44
13	BOI FD	860,000.00	69.580	12,359.87
14	CITIZEN Bank FD	300,710.00	69.580	4,321.79
15	Liquid Deposit	184,000.00	69.580	2,644.44
16	Madhavpura FDR	45,696.00	69.580	656.74
17	Co-Op Bank Saving	9,016.00	69.580	129.58
18	Indian Overseas Bank	65,935.00	69.580	947.61
19	Madhavpura Bank	899.00	69.580	12.92
20	Rajkot DCC Bank	15,466.00	69.580	222.28
21	SBI Saving Bank	61,285.00	69.580	880.78
22	Cash on hand	73,008.00	69.580	1,049.27
23	Deposits	44,124.00	69.580	634.15
24	Loans & Advances	(5,226,875.00)	69.580	(75,120.37)
TOTAL :		20,823,258.00	69.580	299,270.74

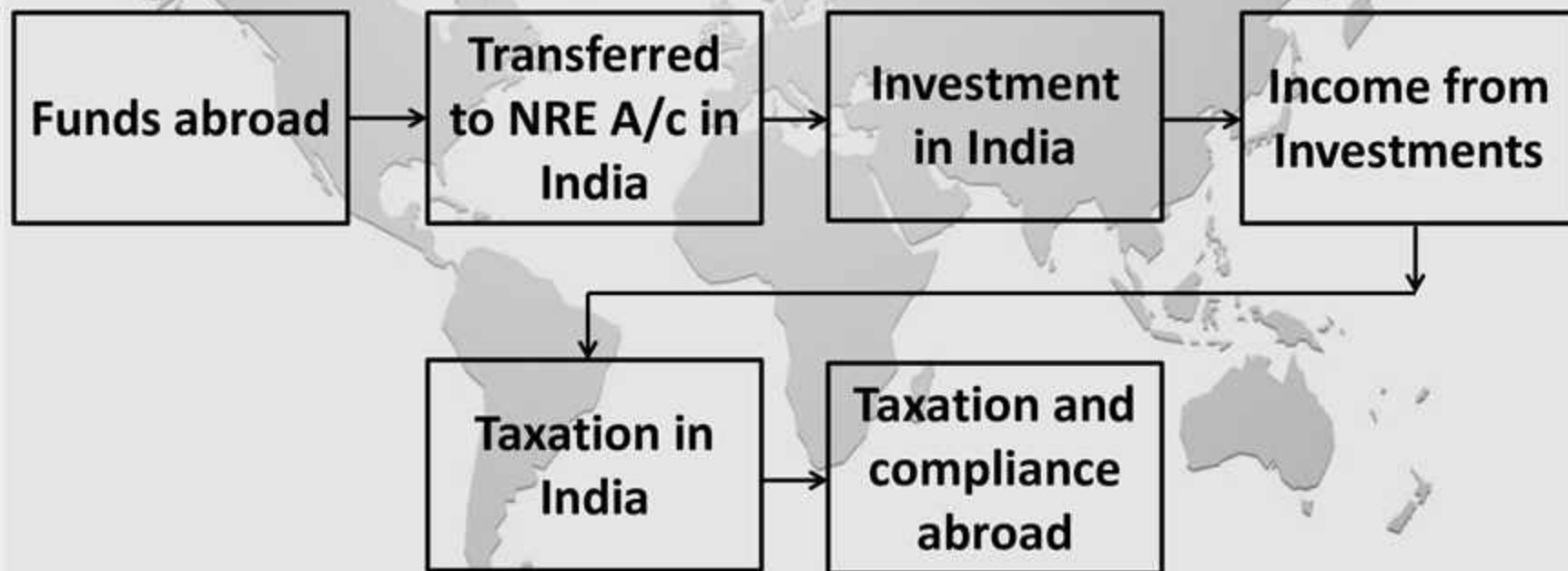


# Investment in India in a Tax Friendly manner : Case Study



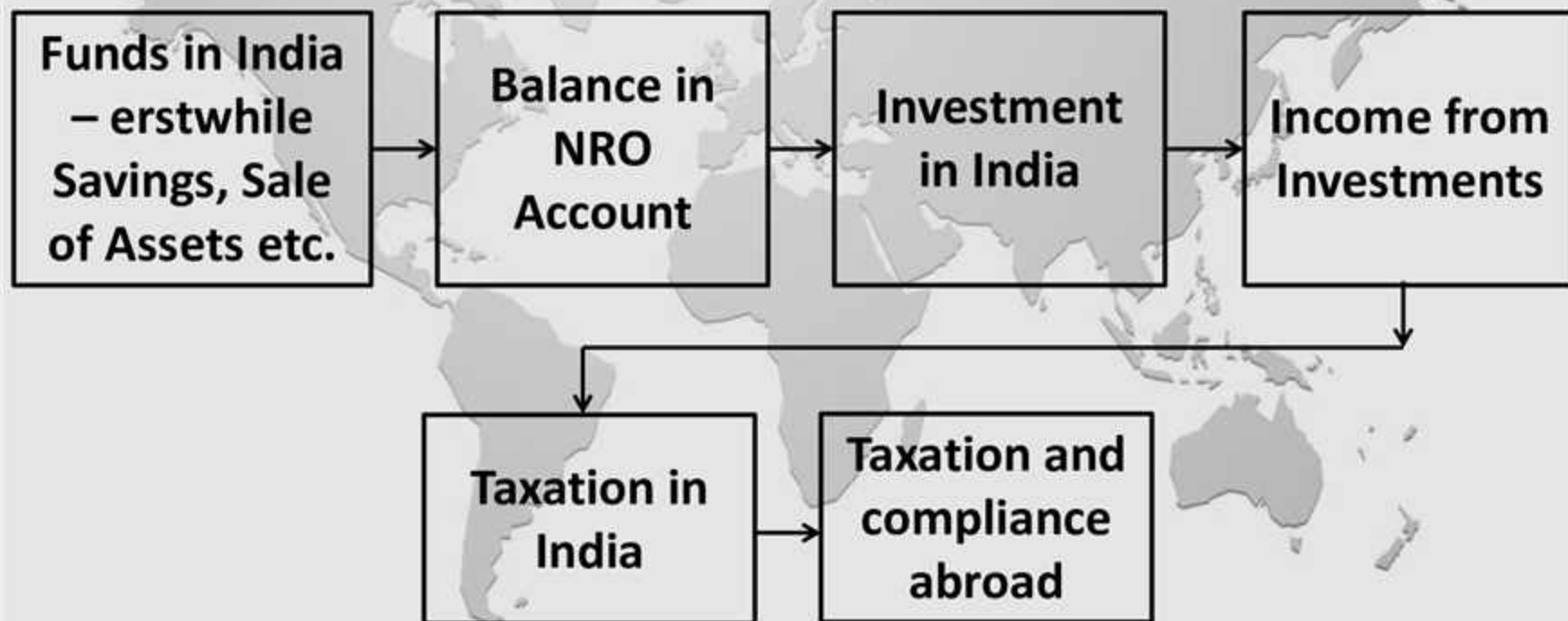
# Investment in India in a Tax Friendly manner : Case Study

Investment intended in India by NRI : Case 1



# Investment in India in a Tax Friendly manner : Case Study

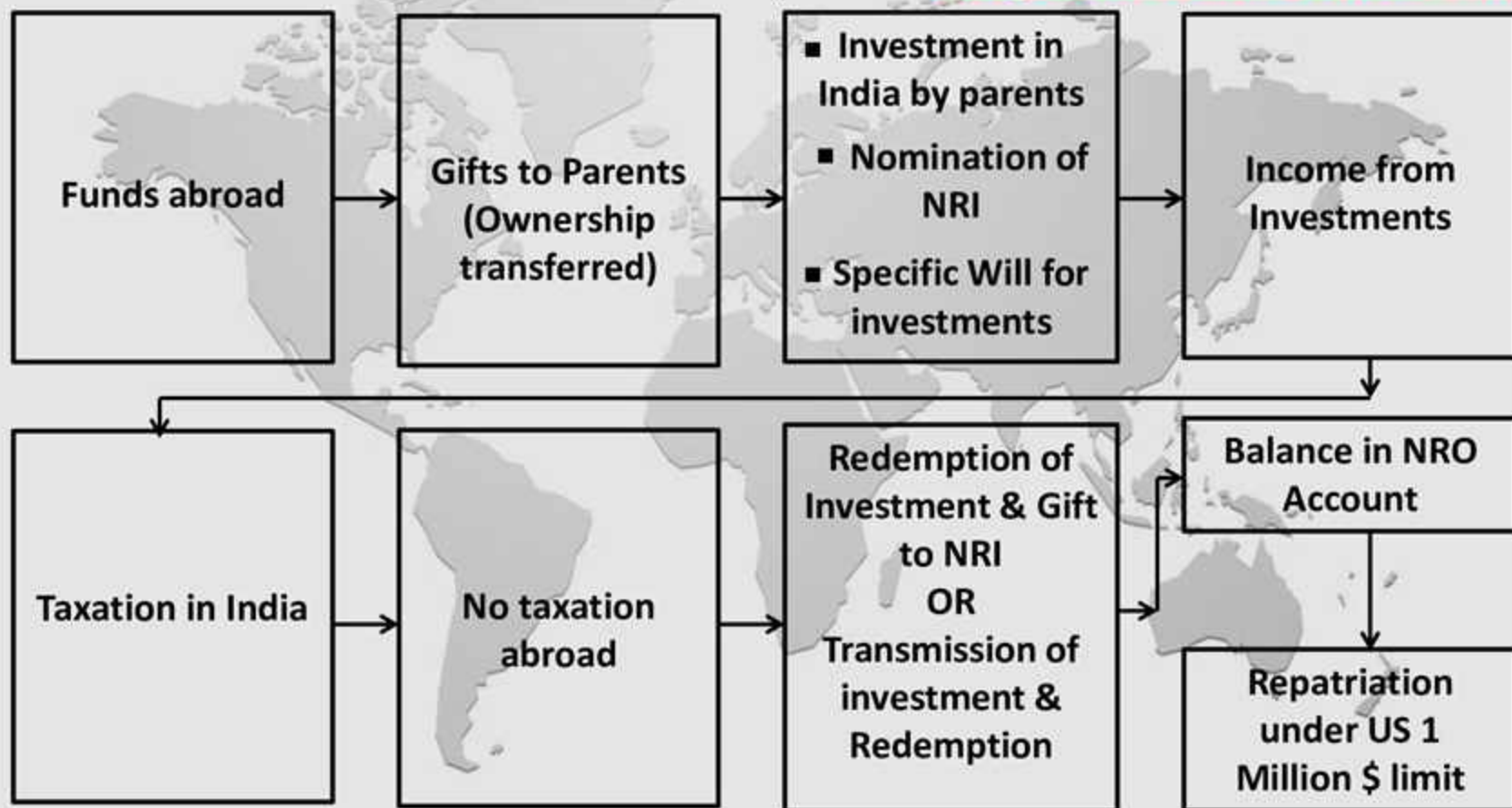
## Investment intended in India by NRI : Case 2





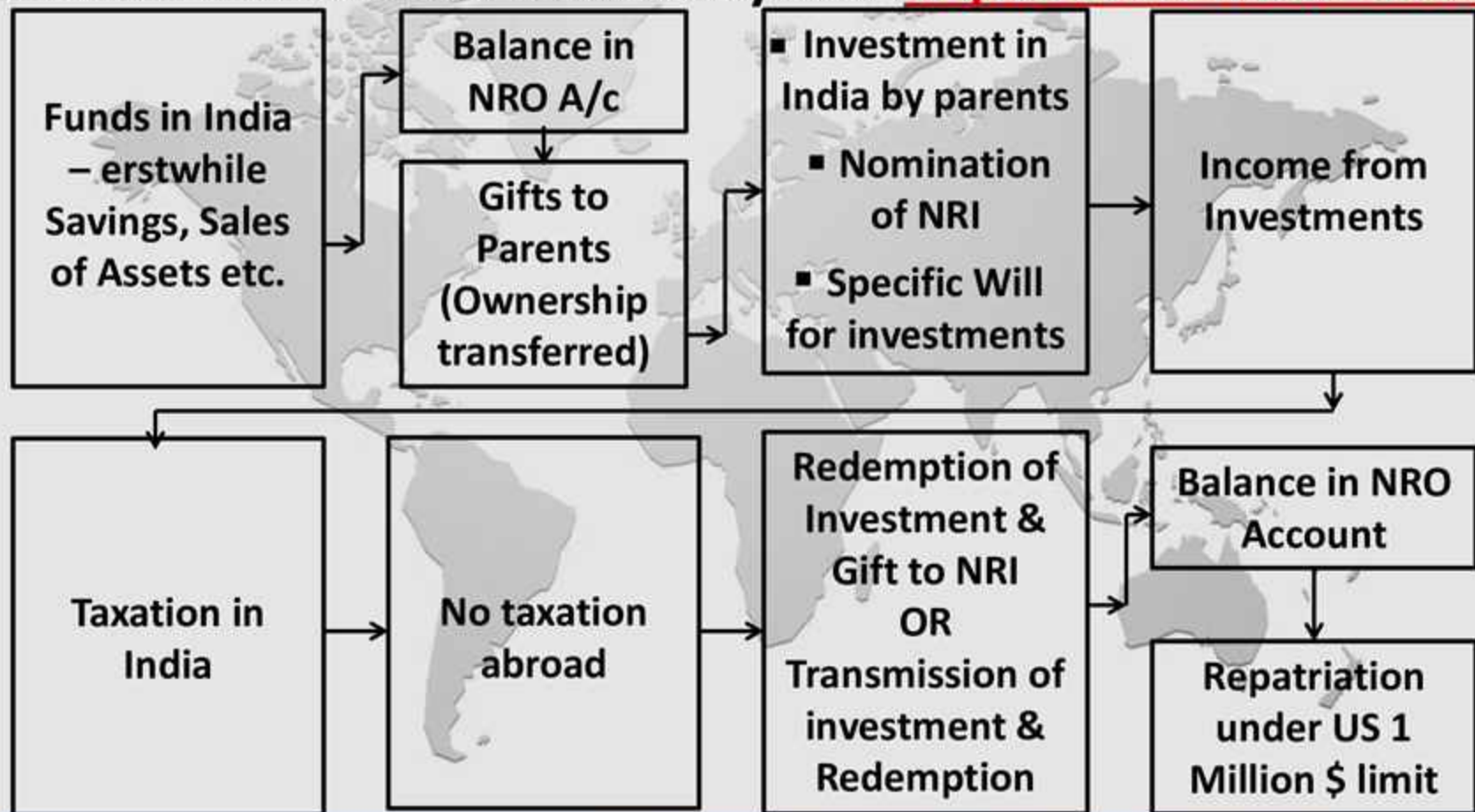
# Investment in India in a Tax Friendly manner : Case Study

## Investment intended in India by NRI : Improved version Case 1



# Investment in India in a Tax Friendly manner : Case Study

## Investment intended in India by NRI : Improved version Case 2



# Message to Global Investors



The reason to invest in India is “4D”  
Democracy Demography Demand Decisiveness

Prime Minister Mr. Narendra Modi  
to  
Global Investors



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