

**Repatriation of sale proceeds of immovable property in India acquired by NRIs / PIOs**  
**A.P.(DIR Series) Circular No.101 (May 5, 2003)**

**Reserve Bank of India**  
**Exchange Control Department**  
**Central office**  
**Mumbai 400 001**

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May 5, 2003

To  
All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**Repatriation of sale proceeds of**  
**immovable property in India acquired by NRIs / PIOs**

Attention of authorised dealers is invited to clause (iii) of sub-regulation (b) of Regulation 6 of Notification No. FEMA 21/2000-RB dated 3<sup>rd</sup> May 2000 read with Notification No. FEMA 65/2002-RB dated 29<sup>th</sup> June 2002 in terms of which, authorised dealers have been permitted to allow repatriation of sale proceeds of immovable property (other than agricultural land/plantation property/farm house) acquired by NRIs/PIOs to the extent of the amount paid by them for acquisition of immovable property in foreign exchange received from abroad through normal banking channels or out of the funds held in their NRE/ FCNR accounts.

2. Similarly, in terms of Regulation 8 of Notification No.FEMA 4/2000-RB dated 3<sup>rd</sup> May 2000, authorised dealers or housing finance institutions in India approved by National Housing Bank are permitted to provide housing loan to NRIs/PIOs for acquisition of residential accommodations in India, subject to the conditions stipulated therein.

3. It has now been decided that where the loan amount so raised for purchase of residential accommodation is subsequently repaid by NRIs/PIOs by remitting funds from abroad or by debit to their NRE/FCNR accounts such repayments in foreign exchange of rupee loans obtained for acquiring residential accommodation may be treated as equivalent to foreign exchange received for the purpose of clause (iii) of sub-regulation (b) of Regulation 6 of Notification No.FEMA 21/2000-RB dated 3<sup>rd</sup> May 2000 referred to above, as amended from time to time.

4. Accordingly, it will be in order for authorised dealers to allow repatriation of sale proceeds of residential accommodation purchased by NRIs/PIOs out of funds raised by them by way of loans from the authorised dealers/housing finance institutions to the extent of such loan/s repaid by them out of foreign inward remittances received through normal banking channel or by debit to their NRE/FCNR accounts.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in the circular have been issued under Section 10 (4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

**Grace Koshie**  
**Chief General Manager**