

COLONEL'S NRI NEWSLETTER

Property Law · Court Watch · Tax Updates · Practical Guidance · Fortnightly

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A note from the Colonel

You are receiving this because you are part of a network I respect. I am not selling anything in these pages. I am sharing what 40 years in Indian real estate has taught me — so that your family does not have to learn it the hard way.

Every fortnight, this newsletter covers four things: a legal or regulatory development affecting NRIs, a court judgment worth knowing, a practical action you can take this week, and a personal observation from the field.

If any issue is not useful to you, reply “Stop” and I will remove you immediately. No questions asked.

1. Law Update — FEMA Repatriation: The Rule Most NRIs Get Wrong

The RBI permits NRIs to repatriate up to **USD 1 million per financial year** from their NRO accounts, after payment of applicable taxes in India. Most NRIs know this number. Very few know the critical detail that follows.

This limit applies **per individual** — not per property, not per transaction. If you are selling a jointly held property with your spouse, and both of you are NRIs, the combined repatriation potential is USD 2 million in that financial year — if structured correctly at the time of sale.

Four things you must do before any repatriation:

- Ensure sale proceeds are credited to your NRO account — not a regular savings account (a FEMA violation that freezes accounts)
- Obtain CA certification in Form 15CA and Form 15CB before the bank transfer
- File your India income tax return for the relevant year before initiating repatriation
- Submit written declaration to your bank specifying the source of funds

2. Court Watch — POA Fraud: How NRIs Lose Property Despite Being Victims

A pattern that has repeated itself across multiple High Court judgments in 2024 and 2025:

An NRI grants a General Power of Attorney to a trusted relative. The relative sells the property to a third party. The NRI discovers it years later. The court upholds the

transaction because the buyer was a “bona fide purchaser for value without notice.” The NRI — the actual victim — loses the property entirely.

The law does not protect the original owner in these cases. It protects the innocent third-party buyer. Your remedy is against the person who committed the fraud — not against the property.

The four rules of safe POA:

- Never give a General POA for property. Always a Specific POA — one transaction, one property, one time window
- Register it with the Sub-Registrar — an unregistered POA has limited legal standing
- Set a hard expiry date — 6 months maximum
- Revoke in writing immediately when no longer needed — and register the revocation

3. Practical Tip — The Nomination You Have Not Updated

The single most powerful estate planning tool available to you costs nothing, requires no lawyer, and takes 10 minutes per account. Most NRIs have not done it.

Update your nominations. Every bank account. Every fixed deposit. Every mutual fund. Every insurance policy. Every PPF account.

A correctly nominated asset transfers directly to the nominee *without* requiring a Succession Certificate, probate, or any court process. The bank releases funds to the nominee on production of the death certificate. That is it.

This can be done online from anywhere in the world through your bank’s net banking portal. If you have not reviewed your nominations in the last two years — this week is the week.

4. Colonel’s Corner

In 40 years, I have never seen a family destroyed by a bad property market.

I have seen many destroyed by a will that nobody understood, a nomination that was never updated, a POA given too casually to the wrong person, and an encroachment that went unchallenged for 12 years.

The market goes up and down. Documents are forever. Get the documents right — before you need them.

Have a specific situation to discuss?

I offer a 30-minute NRI Property Situation Review — succession, sale, purchase, investment, or protection. Specific to your property and your family.

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