

**APPLICATION FOR ACQUISITION OF SECURITIES OR UNITS BY NRI ON NON-REPATRIATION BASIS**  
**UNDER SCHEDULE “4” OF FEMA**

|              |                           |
|--------------|---------------------------|
| Date: _____  | Broker's Name: _____      |
| The Manager  |                           |
| NRI Services | Customer's PAN: _____     |
| _____ branch | NRO Special A/C No. _____ |

Dear Sir,

**Ref: Application for acquisition of securities or units on non-repatriation basis under schedule “4” of FEMA (Transfer or Issue of Security by a person Resident outside India)**

As per the **Foreign Exchange Management Act (Transfer or Issue of Security by a person Resident outside India) (Amendments) regulations 2016**, I/we would like to purchase and sale securities on non-repatriation basis.

I/We hereby agree:

- To open the NRO Special Securities Saving account with designated branch to acquire securities or units in secondary market on non-repatriation basis. The transactions related to this NRO Special Securities Saving account will be routed only through designated branches.
- To submit the complete details of all shares held by me which were purchased during resident tenure or were acquired from primary / secondary market as a non-resident on non-repatriable basis, in the formats as specified by the Bank.
- To do only delivery-based transactions and not indulge in speculative transactions. To purchase and sell shares of an Indian company, through registered broker on a recognized stock exchange or outside it.
- To make payment as per purchase value of contract note from the NRO Special Securities Saving account/NRO saving account.
- To share the details with the Bank of all purchase and sale transactions done made directly through stockbrokers or outside on T+0 OR T+1 after trading, by submitting original broker contract note/documentary evidence to designated branch only where the NRO Special Securities Saving account is maintained.
- Details like, Unique reference number allotted by the bank, NRO Special Securities Saving account number to be mentioned on purchase/sale contract note.
- I/We agree that my stock broker shares all the buy and sell trades on our behalf to on daily basis to bank and bank's empanelled vendor tax consultant for further reporting into the NRO ledger maintained in my name.
- Payments for shares/receipts from the broker on account of sale of shares will be made against the amounts specified on the bills and no adjustment of purchases against sale transactions will be done even if various sale and purchase transactions have been done during the same period.
- To allow the Bank to calculate the Capital Gains Tax on transactions done through respective stock broker. The bank will deduct capital gains tax as applicable on each transaction and the sale proceeds net of tax will be credited to NRO Special Securities Saving account within 48 working hours after receipt of clear funds from broking firm.
- I/We confirm that all investment made by me/us in securities through any mode/other bank will be confirmed and updated to Bank for computing capital gain tax on sale of such securities. The computation of tax will be done without indexation benefit.
- The sale made will be adjusted on First In First Out basis (FIFO) at the Unique reference level (for e.g.: if a customer has multiple demat accounts or multiple NRO Special Securities Saving account under one Unique ref. no.) - FIFO will be applied across them while calculating capital gains for the purpose of calculating capital gains. If any pledged shares are updated in the ledger then the same will also be considered for computation of capital gain as a part of FIFO basis.
- To deposit all payment instruments (Cheque/DD etc.) received from a stockbroker on account of sale of securities, for crediting in special NRO account along with complete details and the bills for trades executed on non-repatriation basis at designated branch where the NRO Special Securities Saving account is maintained.
- I/We confirm that any sale proceeds that are credited to NRO account will be net of applicable taxes only. In case any sale proceeds credited directly to this account, I/We will be paying applicable taxes separately at my end. I/We shall indemnify and hold harmless the Bank against direct losses, costs or claims which Bank might incur/suffer as a result under this facility.
- Sales proceeds (net of applicable taxes) of securities or units acquired under this schedule shall be credited only to NRO Special Securities Saving account irrespective of the type of account from which considerations for acquisition were paid and sell of primary shares, Bonus shares, Rights shares acquired will also be credited to NRO Special Securities Saving account after deducting applicable capital gain tax.
- The bank will recover its fees /charges applicable for this facility by debiting the NRO Special Securities Saving/NRO Saving bank account.
- The Bank will be able to set off losses against capital gains for financial year on equity shares only. The bank will update purchase and sale contract notes details on FIFO basis and compute capital gain tax (without indexation method) accordingly, even if trades have been executed through multiple brokers.
- Capital gains tax will be calculated without the indexation method and will not be adjusted on exchange rates.
- The bank will not undertake any monitoring and follow up of corporate actions associated with any holdings of the account holder & also will not undertake any follow up for deliveries of any shares purchased.
- To ensure that before placing / conveying sale orders I/We actually hold free shares (shares pending for demat or locked /pledge are not free shares).
- In case of a delay or default in providing details pertaining to shares within the prescribed time, I/we shall be solely responsible for the following consequences:
  - Any impact on FIFO method of capital gains computation for such transactions and/or subsequent transactions
  - Any delay in credit to my NRO Savings/ NRO Special Securities Saving bank account.
- As an NRI /PIO, I/We will not make any investment under this schedule, in equity shares, convertible preference shares, convertible debentures, warrants or units of a Nidhi company or a company engaged in agricultural/plantation activities or real estate business or construction of farm houses or dealing in Transfer of development rights as amended from time to time or any restricted sector, as declared by Govt of India/RBI from time to time.
- I/We will follow guidelines/directives given by various government agencies on time to time.
- In case I/We wish to avail of DTAA benefit, I/We will submit the required documents in the beginning of every financial year.
- I/We shall immediately inform the Bank about any change in any of my accounts such as change in residential status/name/address/email ID/telephone number/contact person etc.
- I confirm to open the additional NRO Special Securities Saving bank account by giving me extension to my existing Unique reference number held under my PAN to deal with other stock brokers with common ledger maintained at bank for computation of capital gain tax under one PAN for multiple brokers trades.

The Bank shall comply with instructions and procedures as laid down by Regulatory Authorities from time to time.

I /We shall indemnify and hold harmless the Bank against any direct losses costs or claims which Bank might incur/suffer as a result of this facility.

I/We specifically agree to hold the Bank harmless from any/all claims and agree that the Bank shall not be liable for any loss, actual or perceived, caused directly or indirectly by equipment failure, communication line failure, system failure, Internet failure, securities failure on the Internet, unauthorized access or any other problem technological or otherwise, that might prevent the client from executing or the Bank from executing an order or other conditions beyond Bank's control.

**Account Holder's Signature:** \_\_\_\_\_

**Name of the Account holders:** \_\_\_\_\_

*\*To be signed by all holders and submitted along with the application form*

**FEE SCHEDULE FOR INVESTMENT IN SHARES ON NON-REPATRIATION BASIS:**

| Sr. No. | Fee Heads   | Fees (in INR) |
|---------|---|---------------|
| 1       | NRO Securities Ledger creation charges (onetime fee)                              | 1000          |
| 2       | Annual Ledger maintenance fee   | 1000          |
| 3       | Updation of Ledger:   |               |
|         | i. Purchase transaction per trade date  | 100           |
|         | ii. Sale transaction per trade date   | 100           |
|         | iii. Purchase / Sale on same contract   | 200           |
| 4       | Processing of sale proceeds purchased through secondary market -Transaction Fees: |               |
|         | i. Transaction value up to Rs 50000   | 100           |
|         | ii. Transaction value between Rs 50000 to 300000                                  | 250           |
|         | iii. Transaction value above Rs 300000  | 500           |
| 5       | Processing of sale proceeds purchased through Primary market - Transaction Fees:  |               |
|         | i. Transaction value up to Rs 50000   | 200           |
|         | ii. Transaction value between Rs 50000 to 300000                                  | 400           |
|         | iii. Transaction value above Rs 300000  | 600           |

- a. Charges/service standards are subject to revision at the Bank's sole discretion and as informed by circulars sent by ordinary post
- b. Account Maintenance fees are non-refundable and levied on a financial year basis.
- c. Fees for issuing NRO security ledger creation and annual account maintenance fee will be debited annually, while the fees for processing the sale proceeds will be debited each time the transaction is processed.
- d. All fees will be debited from either from the NRO savings or Special NRO Savings account.
- e. The above charges are independent of the demat account charges and the brokers fees.

*\* Plus, service tax /GST as applicable*

I / We have accepted the above schedule of charges.

Yours Sincerely,

Account Holder's Signature: \_\_\_\_\_

Name of the Account holders: \_\_\_\_\_

*\*To be signed by all holders and submitted along with the application form*

Date:     /     /

NRO Securities unique reference number: \_\_\_\_\_

[illegible]

**Note:**

Note: Annexure to be submitted along with latest demat holding statement. The name and total number of securities mentioned in above annexure should match as per latest Demat holding.

As per current Income Tax guidelines on LTCG: For computation of capital gains for securities acquired on or before 31<sup>st</sup> January, 2018 the purchase cost of acquisition will be determined as stated below: Higher of-

a) The actual cost of acquisition of shares and b) The lower of:

- The fair market value of shares on 31<sup>st</sup> January, 2018 and
- Sale consideration of shares

I/We confirm that the above securities are not acquired through other NRI's/Private arrangement from RI/NRI/any other similar mode, In case of such securities to be reported then I/We will report the same separately with all details. I/We also confirm that the above shares acquired by me /us have been complied with STT provisions and are eligible for capital gain tax benefits available on sale of shares on stock market floor as per the Income Tax Act, 1961 and relevant regulations issued thereon.

In case of ESOP shares, I/We will provide the details as per ESOP checklist and I/We confirm that if the perquisite tax is not paid in India then Fair Market Value (FMV) will not be considered as cost of acquisition for computation of capital gain instead Exercise price will be considered as cost of acquisition.

I hereby indemnify and hold the Bank harmless at all times against any and all claims, liabilities, damages, losses, costs, charges, expenses (including, legal cost and fees), proceedings, and actions of any nature whatsoever made or instituted against or caused to or suffered by the Bank directly or indirectly on account of wrong computation of capital gain taxes by placing reliance on aforementioned information/data and confirmation provided by me/us.

Yours Sincerely,

Account Holder's Signature: \_\_\_\_\_

Name of the Account holders: \_\_\_\_\_

*\*To be signed by all holders and submitted along with the application form*