

SCHEDULE 7
[See Regulation 6(2)]

Acceptance of deposits by Indian proprietorship concern/firm or company (including non-banking finance company registered with Reserve Bank) on non-repatriation basis from Non-resident Indian (NRI) or a Person of Indian Origin (PIO)

A proprietorship concern or a firm in India and a company incorporated in India (including a non-banking finance company registered with Reserve Bank) may accept deposits on non-repatriation basis from NRIs or PIOs subject to the following conditions:

- i) In the case of a company, the deposits may be accepted either under private arrangement or under a public deposit scheme.
- ii) If the deposit accepting company is a non-banking finance company, it should be registered with the Reserve Bank and should have obtained the required credit rating as stipulated under the guidelines issued by Reserve Bank for such companies. iii) The maturity period of deposit shall not exceed 3 years.
- iv) If the deposit accepting company is a non-banking finance company the rate of interest payable on deposits shall be in conformity with the guidelines/ directions issued by Reserve Bank for such companies. In other cases the rate of interest payable on deposits shall not exceed the ceiling rate prescribed from time to time under the Companies (Acceptance of Deposit) Rules, 2014.
- v) The amount of deposit shall be received by debit to NRO account only, provided that the amount of the deposit shall not represent inward remittances or transfer of funds from NRE/ FCNR (B) accounts into the NRO account.
- vi) The proprietorship concern/ firm/ company accepting the deposit should comply with the provisions of any other law, rules, regulations or orders made by Government or any other competent authority, as are applicable to it in regard to acceptance of deposits.
- vii) The proprietorship concern, firm or company accepting the deposit shall not utilise the amount of deposits for relending (not applicable to a Non-Banking Finance Company) or for undertaking agricultural/ plantation activities or real estate business or for investing in any other concern or firm or company engaged in or proposing to engage in agricultural/ plantation activities or real estate business. viii) The amount of deposits accepted shall not be allowed to be repatriated outside India.

Foot Note: The Principal Regulations were published in the Official Gazette vide No. G.S.R. 389(E) dated April 01, 2016 and subsequently amended as under

[G.S.R.1093 \(E\) dated 09.11.2018](#)

[G.S.R. 498 \(E\) dated 16.07.2019](#)

[No. FEMA 5\(R\)/\(3\)/2019-RB dated November 13, 2019](#)

[No. FEMA 5\(R\)/\(4\)/2024-RB dated May 06, 2024](#)

[No. FEMA 5\(R\)\(5\)/2025-RB dated January 15, 2025](#)