

SCHEDULE 6 [See Regulation 6(1)]

Acceptance of deposits by a company incorporated in India (including a non-banking finance company registered with Reserve Bank) on repatriation basis from a Non-resident Indian (NRI) or a Person of Indian origin (PIO)

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

- i) The deposits are received 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 amount representing the deposit is received by inward remittance from outside India through banking channels or by debit to the NRE or FCNR (B) Account maintained with an authorised dealer/ authorised bank in India.
- 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 maturity period of deposits shall not exceed 3 years.
- vi) The company accepting the deposits shall comply with the provisions of any other law, rules, regulations, orders issued by the Government of India or any other competent authority, as are applicable to it in regard to acceptance of deposits.
- vii) The amount of aggregate deposits accepted by the company shall not exceed 35% of its net owned funds.
- viii) The payment of interest net of taxes may be made by the company to the depositor by remittance through an authorised dealer or by credit to the depositor's NRE/ FCNR(B)/ NRO/ account as desired by him.

ix) The amount of deposits so collected shall not be utilised by the company for re-lending (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, firm or a company engaged in or proposing to engage in agricultural/ plantation activities or real estate business.

x) The repayment of the deposit may be made by the company to the depositor by remittance from India through an authorised dealer or by credit to the depositor's NRE/ FCNR(B) account maintained with an authorised dealer in India, provided the depositor continues to be a non resident at the time of repayment. While applying to the authorised dealer for remittance of maturity proceeds of deposit or credit thereof to NRE/ FCNR(B) account, the company should certify that the amount of deposit was received either by inward remittance from outside India through banking channels or by debit to the depositor's NRE/ FCNR(B) account, as the case may be.

xi) The amount representing repayment of deposit may also be credited to the depositor's NRO account, at the depositor's option.