

**Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai-400 001**

Notification No.FEMA.121/2004-RB

dated 10 July 2004

**Foreign Exchange Management (Deposit)
(Amendment) Regulations, 2004**

In exercise of the powers conferred by clause (f) of sub-section (3) of Section 6 and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in partial modification of its Notification No.FEMA 5/2000-RB dated 3rd May 2000, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time, namely:-

Short Title & Commencement :-

1. (i) These Regulations may be called the Foreign Exchange Management (Deposit)(Amendment) Regulations, 2004.

(ii) They shall come into force from the 24th day of April, 2004.

Amendment of the Regulations :-

2. In the Foreign Exchange Management (Deposit) Regulations, 2000,

(i) in Regulation 7, for sub-regulations (1) and (2), the following shall be substituted :-

" 1) A company registered under Companies Act, 1956 or a body corporate created under an Act of Parliament or State Legislature shall not accept deposits on repatriation basis from a non-resident Indian.

2) A company registered under Companies Act, 1956 or a body corporate created under the Act of Parliament or State Legislature may renew the deposits which had been accepted on repatriation basis from a non-resident Indian subject to terms and conditions mentioned in Schedule 6.

3) A company registered under Companies Act, 1956 or a body corporate, a proprietary concern or a firm in India may accept deposits from a non-resident Indian on non-repatriation basis, subject to the terms and conditions mentioned in Schedule 7."

(ii) in Schedule 7,

Clause (v) shall be substituted as under :-

"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."

Shyamala Gopinath
Executive Director

Foot Note : The Principal Regulations were published in the Official Gazette vide G.S.R.No. 388(E) dated May 5, 2000 in Part II, Section 3, sub-section (1) and subsequently amended as under :-.....

GSR No. 262(E) dated 9/4/2002

GSR No. 577(E) dated 19/8/2002

GSR No. 855(E) dated 31/12/2002

**Published in the Official Gazette of Government
of India - Extraordinary - Part-II, Section 3,
Sub-Section (i) dated 04.08.2004 - G.S.R.No.494(E)**