



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

**RBI/2011-12/465**

**A. P. (DIR Series) Circular No.95**

March 21, 2012

To

All Category-I Authorised Dealer Banks and Authorised banks

Madam / Sir,

**Foreign Exchange Management (Deposit) Regulations, 2000 – Credit to Non Resident (External) Rupee / Foreign Currency Non-Resident (Bank) Account**

Attention of Authorised Dealer Category - I (AD Category-I) banks is invited to Regulation 5(6) of Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 notified vide [Notification No. FEMA 3/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which, an individual resident in India may borrow a sum not exceeding USD 250,000/- or its equivalent from her / his close relatives outside India, subject to the conditions mentioned therein.

2.The Reserve Bank has received representations that the repayment of such loans may be allowed to be credited to the Non Resident (External) Rupee (NRE) Accounts. On review, it has been decided that AD Category-I banks may allow repayment of such loans to NRE / Foreign Currency Non-Resident (Bank) [FCNR(B)] account of the lender concerned subject to the condition that the loan to the resident individual was extended by way of inward remittance in foreign exchange through normal banking channels or by debit to the NRE / FCNR(B) account of the lender and the lender is eligible to open NRE / FCNR(B) account within meaning of the Foreign Exchange Management (Deposit) Regulations, 2000 notified vide [Notification No. FEMA 5/2000-RB dated May 3, 2000](#), as amended from time to time. Such credit shall be treated as an eligible credit to the NRE / FCNR(B) account in terms of Para 3(j) of Schedule-1 read with Para 5 of Scheule-2 of Notification No. FEMA 5/2000-RB, *ibid*.

3.Authorized Dealer banks may please bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(Meena Hemchandra)**  
Chief General Manager-in-Charge