

**Reserve Bank Of India
Exchange Control Department
Central Office
Mumbai 400 001.**

Notification No.FEMA/ 75 /2002-RB

November 1, 2002

In exercise of the powers conferred by clause (d) 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 3/2000-RB dated May 3, 2000, as amended from time to time, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, namely :-

1. (1) These Regulations may be called the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Second Amendment) Regulations, 2002.
(2) They shall come into force with effect from their publication in the Official Gazette.
2. In the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulation, 2000.
 - (i) In Regulation 5, after sub-regulation (5), the following sub-regulation shall be added, namely : -

"(6) An individual resident in India may borrow a sum not exceeding US\$.250,000/- or its equivalent from his close relatives outside India, subject to the conditions that -

 - a. the minimum maturity period of the loan is one year;
 - b. the loan is free of interest; and
 - c. the amount of loan is received by inward remittance in free foreign exchange through normal banking channels or by debit to the NRE/FCNR account of the non-resident lender.

Explanation :

'Close relative' means relative as defined in Section 6 of the Companies Act, 1956".

- (ii) In the Schedule, clause (iv) with the heading "Scheme for raising loans from NRIs on repatriation basis", shall be omitted.

**K.J. UDESHI
Executive Director.**

<p>Published in the Official Gazette of Government of India - Extraordinary - Part-II, Section 3, Sub-Section (i) dated 31.12.2002 - G.S.R.No.854(E)</p>
