

**PUNJAB NATIONAL BANK
RESOURCE MOBILISATION DIVISION
HO: NEW DELHI**

F.A.Q.'s N.R.O. Deposit Scheme

1. What is NRO A/c?

Non-Resident Ordinary Rupee Account (NRO Account)

2. Who can open NRO a/cs?

Any person resident outside India may open NRO account with any branch for the purpose of putting through bona fide transaction in rupees.

Opening of accounts by individual/ entities of Pakistan and entities of Bangladesh require prior approval of Reserve Bank of India.

NRO (current/savings) account can also be opened by a foreign national of non-Indian origin visiting India/ foreign national students.

- Foreign Nationals on Non-Indian origin (for period not exceeding 6 Months).

3. Who is Non-resident Indian / Persons of Indian origin?

- Those Indian residents, who are in employment, studying and staying permanently abroad and foreign nationals (except of Pakistan and Bangladesh), with their origin in India.

-Students proceeding abroad for higher studies are treated as Non-residents.

4. Which type of accounts can be opened under NRO?

- NRO accounts may be opened / maintained in the form of current, savings, recurring or fixed deposit accounts.

5. In which currency these a/cs are maintained in the Banks?

Account should be denominated in Indian Rupees.

6. These accounts can be opened with which funds?

- The accounts can also be opened with / out of the funds received as foreign inward remittances in convertible currency through normal banking channel. The Foreign Currency Travellers Cheques / Notes may be accepted during temporary visits of the NRI, for credit to account.

- The accounts can also be opened with the Legitimate local dues denominated in Indian Rupees viz. rent / dividend / pension / interest / sale proceeds of assets etc.

7. What will be the status of accounts existed at the time of change of status from Indian resident to Non-resident Indian?

- Such accounts may be designated as Non-resident (Ordinary) Accounts.

8. Is transfer of funds from FCNR (B) / NRE a/c to NRO a/c permitted?

Yes.

9. Can these accounts be opened jointly with Indian residents?

- Yes. The accounts may be held jointly with residents only on 'former or survivor' basis. NRIs and PIOs may hold an NRO account jointly with other NRIs and PIOs.

10. Whether nomination is permitted in NRO Account?

- Nomination is allowed in favour of a resident or Non-resident Indian.

11. What are the maturity periods under the NRO-Term Deposit scheme?

- Similar to maturity periods available under domestic deposit schemes.

12. What is the Rate of Interest payable on NRO a/cs?

- The Interest Rate payable on NRO accounts is same as that is payable under domestic deposit schemes.

13. Whether tax is deducted at source on the interest paid in NRO a/cs?

- Yes, as per rates applicable for the relevant financial year.

14. Whether resident Indian holder of Power of Attorney is permitted to operate the a/c?

- Yes. Operations restricted to local disbursements (other than gifts to resident), including for investments subject to compliance of relevant regulations. But remittances/repatriation abroad may be made only to account holder.

15. Is the addition or deletion of name/s of joint account holders allowed?

- At the request of all the joint holders, Bank may allow the addition or deletion of name/s of joint account holder/s, as per rules.

16. What are the permissible credits and debits in NRO a/c?

Permissible Credits

(i) Proceeds of freely convertible currency foreign inward remittances, received through normal banking channels.

(ii) The Foreign Currency Travellers Cheques / Notes may be accepted during temporary visits of the NRI.

(iii) Transfers from rupee accounts of non-resident banks.

(iv) Legitimate dues in India of the account holder. This includes current income like rent, dividend, pension, interest, etc. as also sale proceeds of Assets including immovable property acquired out of rupee/foreign currency funds or by way of legacy/inheritance.

Permissible Debits

(i) All local payments in rupees including payments for investments in India subject to compliance with the relevant regulations made by the Reserve Bank.

(ii) Remittance outside India of current income like rent, dividend, pension, interest, etc. in India of the account holder.

(iii) NRI/PIO may remit current income from the balances held in NRO account an amount not exceeding USD one million includes sale proceeds of immovable properties per financial year, subject to payment of applicable taxes.

17. Is the amount held under NRO deposit repatriable?

-NRI/PIO may remit from the balances held in NRO account an amount not exceeding USD one million per financial year, subject to payment of applicable taxes.

-The limit of USD 1 million per financial year includes sale proceeds of immovable properties held by NRIs/ PIOs.

-Other than current income and the limit of USD 1 Million per financial year applicable to NRIs/PIOs, balances in NRO accounts cannot be repatriated without the prior approval of RBI.

18. Whether Debit Card Facility is available to NRO account holders?

- DEBIT-cum-ATM Card facility is available for NRE account holders. The same is provided, upon request.

19. Whether Internet Banking Service is available to NRO a/c holders?

- Yes, the Internet Banking Service (IBS) is available to NRO a/c holders. The same is provided, upon request .

For more details, please visit our website www.pnbindia.com LINK - INTERNET BANKINGInternet Banking for NRIs,

20. How the interest is to be paid on term deposit maturing on Sundays /holidays / Non-business working days?

- Yes, As per guidelines applicable on domestic deposits.

21. Is there any facility for granting Loan / overdrafts against NRO Deposits to account holder/ third party?

- Non-resident account holders and to third parties may be granted loan in Rupees against the security of fixed deposits subject to certain terms and conditions.

22. How the loans/ overdrafts sanctioned as resident status are to be treated in the event of change of resident status to NRI from resident?

- In such cases, payment of interest and repayment of loan, availed when the status was resident Indian, may be made by inward remittance or out of legitimate resources in India of the person concerned, even though the status has changed to NRI.

23. How the funds are to be paid to nominee of the NRO a/c?

- The amount due / payable to non-resident Indian nominee of the NRO account of a deceased account holder shall be credited to NRO account of the nominee.
- The amount payable to resident nominee of the NRO account of a deceased account holder shall be credited to resident account of the nominee with a bank in India.

24. How interest is payable on NRO deposits to NRIs on return to India?

- Banks may allow NRO deposits NRIs/PIOs, who return to India for permanent settlement, to continue till maturity at the contracted rate of interest, if desired, as per rules.

25. Is the premature withdrawal of deposits allowed?

- Yes. At the request of the depositor, Bank allows premature withdrawal.

26. Is any penalty levied on pre-mature withdrawal of NRO (B) deposit?

- Yes. As per guidelines applicable on domestic deposits. However in NRO Sugam Term Deposit no penal interest is charged on premature closure.
