

**Interest Rate on Deposits under Non-Resident
(External) Rupee Accounts (NRE Accounts)**

UBD.CO.BPD/ 14 /13.01.00/2003-04

17 September 2003

All Urban Cooperative Banks

Dear Sir,

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(External) Rupee Accounts (NRE Accounts)**

Please refer to our Circular No.UBD.BPD.PCB.Cir.4/13.01.00/2002-03 dated July 17, 2003 on the captioned subject.

2. On a review, it has been decided that, until further notice, the interest rates on fresh repatriable NRE deposits for one to three years contracted (effective close of business in India on September 15, 2003) should not exceed 100 basis points (instead of 250 basis points announced on July 17, 2003) above the LIBOR/SWAP rates for US dollar of corresponding maturity.
3. The maturity period of repatriable NRE deposits would continue to be one to three years, and the interest rate as determined above for three year deposits would also be applicable in case the maturity period exceeds three years.
4. The above changes in interest rates will also apply to repatriable NRE deposits renewed after their present maturity period.
5. The detailed instructions in this regard are being issued separately.
6. Kindly acknowledge receipt.

Yours faithfully,

(S. Karuppasamy)
Chief General Manager-in-Charge