

Interest Rate on Deposits under Non-resident (External) Rupee Account (NRE Accounts)

DBOD. No. Dir. BC. 35/13.01.09/2003-04

October 18, 2003

Interest Rate on Deposits under Non-resident (External) Rupee Account (NRE Accounts)

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and in modification of Directive DBOD. No. Dir. BC.25/ 13.01.09/ 2003-04 dated September 15, 2003 relating to interest rate on deposits accepted under Non-resident (External) Rupee Account Scheme, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs 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 October 18, 2003 should not exceed 25 basis points (as against 250 basis points announced on July 17, 2003 and 100 basis points on September 15, 2003) above the LIBOR/SWAP rates for US dollar of corresponding maturity.

2. The LIBOR/SWAP rates as on the last working day of the preceding month would form the base for fixing ceiling rates for the interest rates that would be offered effective from the following month.

3. The above changes in interest rates will also apply to repatriable NRE deposits renewed after their present maturity period.

(Shyamala Gopinath)
Executive Director