

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

UBD.BPD.PCB. Cir 20/13.01.00/2003-04

October 18, 2003

CEOs of all Primary (Urban) Co-operative Banks

Dear Sir,

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

Please refer to our Circular UBD.CO.BPD. /14/13.01.00/200304 dated September 17, 2003 on the captioned subject.

2. On a review it has been decided that, until further notice, the interest rates on fresh repatriable Non Resident (External) Rupee (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 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 rates as determined above for three year deposits would also be applicable in case the maturity period exceeds three years.

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

5 An amending directive UBD.BPD. Dir. 1/13.01.00/2003-04 dated October 18, 2003 is enclosed. It may be seen there from that 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.

6. Kindly acknowledge receipt of the circular to the Regional Offices.

Yours faithfully,

(K.V. Rajan)
Chief General Manager

Interest Rate On Deposits Under Non-Resident (External) Rupee (NRE) Accounts `

UBD.No.BPD. PCB.Dir.1/13.01.00/2003-04,

October 18, 2003.

Interest Rate On Deposits Under Non-Resident (External) Rupee (NRE) Accounts `

All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

In exercise of the powers conferred by Sections 21 and 35 A read with Section 56 of the Banking Regulation Act, 1949 and in modification of the instructions issued vide our circular UBD.CO.BPD. 14/13.01.00/200304 dated September 17,2003 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 17, 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.

(A.V. Sardesai)
Executive Director