

22155954, 22160970

E-mail address

<rbidboco@bom3.vsnl.net.in>

RESERVE BANK OF INDIA

CENTRAL OFFICE

DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT

CENTRE - 1, WORLD TRADE CENTRE

CUFFE PARADE, COLABA, MUMBAI - 400 005

Post Box No. 6089

VSAT address

<cgmincdbod@rbi.org.in>

DBOD. No. Dir. BC.75/13.01.09/2003-04

April 17, 2004

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

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and in modification of Master Circular DBOD. No. Dir. BC.11/13..03.00/ 2003-04 dated August 14, 2003 as amended from time to time on interest rates on deposits, it has been decided to effect the undernoted changes in the interest rates on NRE term and savings Deposit Accounts.

2. i) Interest rate on NRE Term Deposits

The interest rates on Non Resident (External) Rupee (NRE) Deposits for one to three years maturity, contracted effective close of business in India on April 17, 2004, shall not exceed the LIBOR / SWAP rates for US dollar of corresponding maturity.

The interest rates as determined above shall also be applicable in case the maturity period exceeds three years.

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

(ii) Interest Rate on Savings Deposits under Non-Resident (External) (NRE) Accounts

The interest rate on NRE savings deposits shall not exceed the LIBOR/SWAP rate for six months maturity on US dollar deposits and may be fixed quarterly on the basis of the LIBOR/SWAP rate of US dollar on the last working day of the preceding quarter.

(Shyamala Gopinath)

Executive Director