



रिज़र्व बैंक ऑफ़ इंडिया

RESERVE BANK OF INDIA

www.rbi.org.in

April 20, 2004

RBI/2004/164

DNBS (PD) CC. No. 36 / 02.01 / 2003-04

To,

All Non-Banking Financial Companies,
Miscellaneous Non-Banking Companies and
Residuary Non-Banking Companies

Dear Sirs,

**Non-Banking Financial Companies,
Miscellaneous Non-Banking Companies and
Residuary Non-Banking Companies -
Interest rate on NRI deposits**

Please refer to the following company circulars

- (i) DNBS (PD) C.C. No.30 / 02.01 / 2003-04 dated September 17, 2003 together with notification No. 175 of date
- (ii) DNBS (PD) C.C. No.31 / 02.01 / 2003-04 dated September 19, 2003 together with notification No. 176 of date and
- (iii) DNBS (PD) C.C. No.32 / 02.01 / 2003-04 dated October 28, 2003
- (iv) DNBS (PD) C.C. No.33 / 02.01 / 2003-04 dated October 30, 2003

on the above subject in terms of which the NBFCS, MNBCs and RNBCs were directed that in future, the rate of interest payable by them on fresh repatriable NRI deposits shall be the same as is payable by the scheduled commercial banks on NRE deposits.

2. Reserve Bank of India has since revised the interest rate payable on the NRE deposits accepted by scheduled commercial banks and it has been decided that the rate of interest on these deposits should not exceed the LIBOR / SWAP rates for US dollar of corresponding maturity.

3. Accordingly, it is advised that the rate of interest on the NRI deposits payable by NBFCS, MNBCs and RNBCs shall not exceed the LIBOR/SWAP rates for US dollar of corresponding

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maturity on fresh deposits contracted from the close of business on April 17, 2004. The maturity period of repatriable NRI deposits would continue to be one to three years. The change in interest rate will also apply to repatriable NRI deposits renewed after their present maturity period.

4. You are requested to ensure strict compliance with the above mentioned ceilings.

Yours faithfully,

Sd/
(O. P. Aggarwal)
Chief General Manager-in-Charge