

RBI/2007-2008/157
RPCD.CO.RRB.No.BC. 29 /03.05.33(C) / 2007-08

October 09, 2007

All Regional Rural Banks

Dear Sir

Authorisation to open / maintain NRO / NRE accounts in Rupees and

accept FCNR deposits by RRBs

Please refer to our circular RPCD.CO.RRB.No.BC 106/ 03.05.33(C)/2006-07 dated June 28, 2007 prescribing the eligibility criteria for RRBs to open/ maintain customers' NRO/NRE accounts in rupees and accept FCNR deposits. The matter of permitting RRBs which are currently viable to accept NRO / NRE / FCNR deposits has been examined and it has been decided that the cases of RRBs having negative networth but earning net profits for the last three years may be examined by the Empowered Committee on a case to case basis from the supervisory comfort angle and recommended to Central Office for allowing opening / maintaining NRO/NRE accounts in Rupees and accepting FCNR deposits.

Yours faithfully

(C.S. Murthy)
Chief General Manager-in-Charge