

**RBI/2008-09/172**  
**RPCD.CO.RF.BC.No.31/ 07.38.01/2008-09**

**September 17, 2008**

The Managing Director  
Maharashtra State Co-operative Bank Ltd.  
9, Nagindas Master Road Extension, Fort  
Mumbai-1

Dear Sir,

**Interest Rate on FCNR(B) Deposits**

Please refer to our circular RPCD.CO.RF.BC.No.81/07.38.01/2006-07 dated April 26, 2007 on Interest Rate on FCNR(B) Deposits. On a review, it has been decided that until further notice and with effect from the close of business in India as on September 16, 2008, the interest rates on FCNR(B) Deposits will be as under:

In respect of FCNR(B) deposits of all maturities contracted effective from the close of business in India as on September 16, 2008, interest shall be paid within the ceiling rate of LIBOR / SWAP rates minus 25 basis points for the respective currency / corresponding maturities (as against LIBOR /SWAP rates minus 75 basis points effective from close of business on April 24, 2007). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency / maturity minus 25 basis points. For floating rate deposits, the interest reset period shall be six months.

2. An amending Directive RPCD.CO.RF.BC.Dir.No.30/07.38.01/2008-09 dated September 17, 2008 is enclosed.

Yours faithfully,

**(B.P.Vijayendra)**  
**Chief General Manager**

September 17, 2008

**Foreign Currency (Non-Resident) Accounts (Banks) Scheme**

In exercise of the powers conferred by Section 35 A of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies), the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs the following:

**Interest rates applicable to deposits accepted under Foreign Currency Non-Resident Accounts (Banks) Scheme**

In respect of FCNR(B) deposits of all maturities contracted effective from the close of business in India as on September 16, 2008, interest shall be paid within the ceiling rate of LIBOR / SWAP rates minus 25 basis points for the respective currency / corresponding maturities (as against LIBOR / SWAP rates minus 75 basis points effective from close of business on April 24, 2007). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency / maturity minus 25 basis points. For floating rate deposits, the interest reset period shall be six months.

**(V.S.Das)**  
**Executive Director**