

RBI/2008-09/294
UBD BPD. AD Cir No. 26 /13.01.000/2008-09

November 17, 2008

Chief Executive Officer of
All AD Category-I UCBs

Dear Sir/Madam,

Interest Rate on FCNR (B) Deposits- UCBs (ADs)

Please refer to UBD BPD. AD Cir No.23 /13.01.000/2008-09 dated October 16, 2008 on the captioned subject.

2. In view of the prevailing market conditions, it has been decided that until further notice and with effect from close of business in India as on November 15, 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 November 15, 2008, interest shall be paid within the ceiling rate of LIBOR / SWAP rates plus 100 basis points for the respective currency / corresponding maturities (as against LIBOR / SWAP rates plus 25 basis points effective from the close of business on October 15, 2008). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency / maturities plus 100 basis points. For floating rate deposits, the interest reset period shall be six months."

3. A Directive to this effect is enclosed. All other terms and conditions applicable to FCNR (B) deposits remain unchanged.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(Sathyan David)
General Manager

November 15, 2008

Interest Rates on FCNR (B) Deposits

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and in modification of the directive UBD.No.Dir 5/13.03.00/2008-09 dated October 15, 2008 on Interest Rates on FCNR (B) Deposits, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that Interest Rates on FCNR (B) Deposits shall be as under:

" In respect of FCNR (B) deposits of all maturities contracted effective from the close of business in India as on November 15, 2008, interest shall be paid within the ceiling rate of LIBOR / SWAP rates plus 100 basis points for the respective currency / corresponding maturities (as against LIBOR / SWAP rates plus 25 basis points effective from the close of business on October 15,2008). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency / maturities plus 100 basis points. For floating rate deposits, the interest reset period shall be six months."

(Anand Sinha)
Executive Director