



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2013-14/488

RPCD.CO.RRB.RCB.BC.NO.85/03.05.33/2013-14

February 11, 2014

All Regional Rural Banks/  
State/Central Cooperative Banks

Dear Sir/Madam,

**Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits**

Please refer to our [circulars](#) [RPCD.CO.RRB.BC.No.65/03.05.33/2013-14](#) and [RPCD.CO.RCB.BC.No.68/07.51.014/2013-14 dated December 2, 2013](#) advising Regional Rural Banks (RRBs) and State/Central Cooperative Banks (StCBs/CCBs) that the freedom to offer interest rates on incremental NRE deposits with maturity of 3 years and above without any ceiling in order to pass on the benefit of exemption provided on such deposits from CRR/ SLR requirements will remain valid up to January 31, 2014, subject to review.

2. On a review and in order to give the RRBs/StCBs/CCBs some time, it has been decided to extend the above dispensation till February 28, 2014. With effect from March 1, 2014, the interest rate ceiling will revert to the position prior to August 19, 2013, for RRBs and August 22, 2013, for StCBs/CCBs i.e. interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits.

3. All other instructions in this regard, as amended from time to time, will remain unchanged.

4. An amending directive RPCD.CO.RRB.RCB.No.86/03.05.33/2013-14 dated February 11, 2014 is enclosed.

Yours faithfully,

(A.Udgata)  
Principal Chief General Manager

ग्रामीण आयोजना और ऋण विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, पो.वा.सं.10014, मुंबई 400 001  
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Rural Planning & Credit Department, Central Office, 10th Floor, Central Office Building, Shahid Bhagat Singh Marg, P.Box No.10014, Mumbai 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।  
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords , etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



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RPCD.CO.RRB/RCB.Dir.No.86/03.05.33/2013-14

February 11, 2014

### Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and Section 35A of the Banking Regulation Act, 1949, (AACs) and in modification of the directive RPCD.CO.RRB.Dir.No.66/03.05.33/2013-14 and RPCD.CO.RCB.Dir.No.67/07.51.014/2013-14 dated December 2, 2013 on Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that instructions issued vide directive RPCD.CO.RRB.Dir.No.23/03.05.33/2013-14 dated August 19, 2013 for RRBs and RPCD.CO.RCB.Dir.No.25/07.51.014/2013-14 dated August 22, 2013 for StCBs/CCBs will continue till February 28, 2014. With effect from March 1, 2014, the interest rate ceiling will revert to the position prior to August 19, 2013, for RRBs and August 22, 2013 for StCBs/CCBs i.e. interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits.

Dr.(Smt.) Deepali Pant Joshi  
Executive Director

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