

**Interest Rate on Deposits under Non-resident
(External) Rupee Account (NRE Accounts)**

DBOD. No. Dir. BC. 25/13.01.09/2003-04

September 15, 2003

**Interest Rate on Deposits under Non-resident
(External) Rupee Account (NRE Accounts)**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and in modification of Directive DBOD. No. Dir. BC.1/ 13.01.09/ 2003-04 dated July 17, 2003 relating to interest rate on deposits accepted under Non-resident (External) Rupee Account Scheme, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, until further notice, the interest rates on fresh repatriable NRE deposits for one to three years contracted effective close of business in India on September 15, 2003 should not exceed 100 basis points (instead of 250 basis points announced on July 17, 2003) above the LIBOR/SWAP rates for US dollar of corresponding maturity.

2. The LIBOR/SWAP rates as on the last working day of the preceding month would form the base for fixing ceiling rates for the interest rates that would be offered effective from the following month.
3. The above changes in interest rates will also apply to repatriable NRE deposits renewed after their present maturity period.

(Shyamala Gopinath)
Executive Director

**Interest Rate on Deposits under Non-Resident
(External) Rupee Accounts (NRE Accounts)**

DBOD. No. Dir. BC. 26/13.01.09/2003-04

September 15, 2003

All Scheduled Commercial Banks
(excluding RRBs and LABs)

Dear Sir,

**Interest Rate on Deposits under Non-Resident
(External) Rupee Accounts (NRE Accounts)**

Please refer to our Monetary Policy Department's Circular No.MPD.BC.238/ 07.01.279/2003-04 dated September 15, 2003 on the captioned subject.

2. An amending directive DBOD. No. Dir. BC.25/13.01.09/2003-04 dated September 15, 2003 is enclosed. It may be seen therefrom that the LIBOR / SWAP rates as on the last working day of the preceding month would form the base for fixing ceiling rates for the interest rates that would be offered effective from the following month.
3. The other instructions contained in our Master Circular DBOD. No. Dir. BC. 11/13.03.00/2003-04 dated August 14, 2003 as amended from time to time shall remain unchanged.
4. Kindly acknowledge receipt.

Yours faithfully,

(B. Mahapatra)
Chief General Manager