

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

**DBOD. No. Dir. BC. 36/13.01.09/2003-04**

October 18, 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 Circular DBOD No. Dir. BC. 26/13.01.09/2003-04 dated 15<sup>th</sup> September 2003 on the captioned subject.

2. On a review it has been decided that, until further notice, the interest rates on fresh repatriable Non Resident (External) Rupee (NRE) Deposits for one to three years contracted effective close of business in India on October 18, 2003 should not exceed 25 basis points (as against 250 basis points announced on July 17, 2003 and 100 basis points on September 15, 2003) above the LIBOR / SWAP rates for US dollar of corresponding maturity.
3. The maturity period of repatriable NRE deposits would continue to be one to three years and the interest rates as determined above for three year deposits would also be applicable in case the maturity period exceeds three years.
4. The changes in interest rates will also apply to repatriable NRE deposits renewed after their present maturity period.
5. An amending directive DBOD. No. Dir. BC.35/13.01.09/2003-04 dated October 18, 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.
6. 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.
7. Kindly acknowledge receipt.

Yours faithfully,

**(M.R. Srinivasan)**  
**Chief General Manager-in-Charge**