

RBI/2008-09/293  
UBD (PCB) CO BPD Cir No. 25 /13.01.000/2008-09

November 17, 2008

Chief Executive Officer of  
All Primary (urban) Cooperative Banks

Dear Sir/Madam,

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

Please refer to our circular UBD (PCB) CO BPD Cir No: 22/13.01.000/2008-09 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 Non- Resident (External) Rupee (NRE) Term Deposits will be as under:

"The interest rates on fresh Non-Resident (External) Rupee (NRE) Term Deposits for one to three years maturity should not exceed the LIBOR / SWAP rates plus 175 basis points, as on the last working day of the previous month, for US dollar of corresponding maturities (as against LIBOR / SWAP rates plus 100 basis points effective from the close of business on October 15, 2008). The interest rates as determined above for three year deposits will also be applicable in case the maturity period exceeds three years. The changes in interest rates will also apply to NRE deposits renewed after their present maturity period."

3. A directive to this effect is enclosed. All other terms and conditions applicable to NRI deposits remain unchanged.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

**(Sathyan David)**  
General Manager

**Interest Rates on Deposits held in Non-Resident (External) Rupee (NRE) 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 4/13.03.00/2008-09 dated October 15, 2008 on Interest Rates on Deposits held in Non-Resident (External) (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 Interest Rates on Non-Resident (External) Rupee (NRE) Deposits shall be as under:

“With effect from the close of business as on November 15, 2008, the interest rates on fresh Non-Resident (External) Rupee (NRE) Term Deposits for one to three years maturity should not exceed the LIBOR / SWAP rates plus 175 basis points, as on the last working day of the previous month, for US dollar of corresponding maturities (as against LIBOR / SWAP rates plus 100 basis points effective from the close of business on October 15, 2008). The interest rates as determined above for three year deposits will also be applicable in case the maturity period exceeds three years. The changes in interest rates will also apply to NRE deposits renewed after their present maturity period”.

**(Anand Sinha)**  
Executive Director