All State and Central Co-operative Banks

Dear Sir / Madam,

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

Please refer to our circular RPCD.CO.RCB.Dir.BC.No.26/07.51.014/2013-14 dated August 22, 2013 allowing State and Central Cooperative Banks 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. In terms of para 4 thereof, these instructions are valid up to November 30, 2013, subject to review.

2. In this connection, we advise that the above instructions issued vide circular under reference will remain unchanged till January 31, 2014, subject to review.

3. An amending directive RPCD.RCB.No.Dir.BC.67/07.51.014/2013-14 dated December 02, 2013 is enclosed.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager
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 (As Applicable to Co-operative Societies), and in modification of the directive RPCD.RCB.BC.Dir.No.25/07.51.014/2013-14 dated August 22, 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 referred to above will remain unchanged till January 31, 2014, subject to review.

(Dr. (Smt.) Deepali Pant Joshi)
Executive Director