The Chief Executive Officers
All AD Category-I UCBs

Dear Sir/Madam

**Interest Rates on FCNR(B) deposits - UCBs**

Please refer to our circular UBD.BPD.AD.Cir No.26/13.01.000/2008-09 dated November 17, 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 23, 2011, the interest rates on FCNR(B) deposits will be as under:

   In respect of FCNR (B) deposits of all maturities contracted effective from the close of business in India as on November 23, 2011, interest shall be paid within the ceiling rate of LIBOR/swap rates plus 125 basis points for the respective currency/corresponding maturities (as against LIBOR/swap rates plus 100 basis points effective from close of business on November 15, 2008). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency/maturity plus 125 basis points. For floating rate deposits, the interest reset period shall be six months.

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

Yours faithfully

(A.Udgata)
Chief General Manager-in-Charge

Encls: As above
Interest Rates on FCNR(B) Deposits

In exercise of the powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949, and in modification of the directive UBD.No.Dir 9/13.01.000/2008-09 dated November 15, 2008 on Interest Rates on Deposits held in FCNR(B) Accounts, 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 FCNR(B) deposits shall be as under:

“In respect of FCNR(B) deposits of all maturities contracted effective from the close of business in India as on November 23, 2011, interest shall be paid within the ceiling rate of LIBOR/SWAP rates plus 125 basis points for the respective currency/corresponding maturities (as against LIBOR/SWAP rates plus 100 basis points effective from the close of business on November 15, 2008). On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency/maturity plus 125 basis points. For floating rate deposits, the interest reset period shall be six months.”

(S. Karuppasamy)
Executive Director