The Chief Executive Officers
All Primary (Urban) Co-operative 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.25/13.01.000/2008-09 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 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 275 basis points, as on the last working day of the previous month, for US dollar of corresponding maturities (as against LIBOR/SWAP rates plus 175 basis points effective from close of business on November 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.

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RBI/2011-12/ 279

UBD.BPD. (PCB) CIR No. 12 /13.01.000/2011-12 November 24, 2011
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 Non-Resident (External) Rupee (NRE) 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 8/13.01.000/2008-09 dated November 15, 2008 on Interest Rates on Deposits held in Non-Resident (External) (NRE) 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 Non-Resident (External) Rupee (NRE) Deposits shall be as under:

“With effect from close of business as on November 23, 2011, 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 275 basis points, as on the last working day of the previous month, for US dollar of corresponding maturities (as against LIBOR/SWAP rates plus 175 basis points effective from the close of business on November 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.”

(S. Karuppasamy)
Executive Director