



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2011-12/565

UBD.BPD.AD.CIR.No. 7/13.01.000/2011-12

May 17, 2012

The Chief Executive Officers
All AD Category -1 UCBs

Dear Sir/Madam,

Interest Rates on FCNR(B) Deposits

Please refer to our [circular No. UBD.BPD.AD.CIR.No. 4/13.01.000/2011-12 dated November 24, 2011](#) on Interest Rates on Deposits held in FCNR(B) Accounts. In view of the prevailing market conditions, it has been decided that until further notice and with effect from the close of business in India as on May 4, 2012, the interest rates on FCNR(B) Deposits will be as under:

| Maturity Period | Existing | Revised |
|-----------------------------|----------------------------------|----------------------------------|
| 1 year to less than 3 years | LIBOR/Swap plus 125 basis points | LIBOR/Swap plus 200 basis points |
| 3 - 5 years | LIBOR/Swap plus 125 basis points | LIBOR/Swap plus 300 basis points |

On floating rate deposits, interest shall be paid within the ceiling of swap rates for the respective currency/maturity plus 200 bps/300 bps as the case may be. For floating rate deposits, the interest reset period shall be six months.

..2/-

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेंट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: rbiubdco@rbi.org.in

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: rbiubdco@rbi.org.in

बैंक हिन्दी में पत्राचार का स्वागत करता है —

2. Foreign currency loans out of FCNR(B) deposits may be given as Pre-shipment Credit in Foreign Currency (PCFC)/ Rediscounting of Export Bills Abroad (EBR) to exporters and other entities (including exporters who desire to avail of foreign currency term loans for creating export capability) having a natural hedge or entities having a risk management policy for managing the exchange risk.

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

4. An amending directive UBD.BPD.DIR.No. 8/13.01.000/2011-12 dated May 17, 2012 is enclosed.

Yours faithfully,

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

Encl: As above.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

UBD.BPD.DIR.No. 8/13.01.000/2011-12

May 17, 2012

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.BPD.DIR.No.3/13.01.000/2011-12 dated November 23, 2011](#) on Interest Rates on FCNR(B) Deposits, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that with effect from the close of business in India as on May 4, 2012 the interest rates on FCNR(B) deposits shall be as under:

| Maturity Period | Existing | Revised |
|-----------------------------|----------------------------------|----------------------------------|
| 1 year to less than 3 years | LIBOR/Swap plus 125 basis points | LIBOR/Swap plus 200 basis points |
| 3 - 5 years | LIBOR/Swap plus 125 basis points | LIBOR/Swap plus 300 basis points |

On floating rate deposits, interest shall be paid within the ceiling of swap rates for the respective currency/maturity plus 200 bps/300 bps as the case may be. For floating rate deposits, the interest reset period shall be six months.

(S. Karuppasamy)
Executive Director

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत

फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: rbiubdco@rbi.org.in

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: rbiubdco@rbi.org.in

बैंक हिन्दी में पत्राचार का स्वागत करता है —