



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

RBI/2011-12/535

DBOD.Dir.BC. 102 /13.03.00/2011-12

May 4, 2012

**All Scheduled Commercial Banks
(excluding RRBs)**

Dear Sir/Madam

Interest Rates on FCNR(B) Deposits

Please refer to paragraph 2 of our [circular No.DBOD.Dir.BC.59/13.03.00/2011-12 dated November 23, 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. 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

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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 DBOD.No.Dir.BC. 101/13.03.00/2011-12 dated May 4, 2012 is enclosed.

Yours faithfully,

(Rajesh Verma)
Chief General Manager



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DBOD.Dir.BC. 101/13.03.00/2011-12

May 4, 2012

Interest Rates on FCNR(B) Deposits

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and in modification of the directive [DBOD.No.Dir.BC.58/13.03.00/2011-12 dated November 23, 2011](#) on Interest Rates on Deposits held in Non-Resident (External) (NRE) Accounts and 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 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.

(B. Mahapatra)
Executive Director

Related Press Release/Notification	
May 4, 2012	RBI takes measures to ease foreign currency flows
May 4, 2012	Deregulation of Interest Rates on Export Credit in Foreign Currency

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हिंदी आसान है, इसका प्रयोग बढ़ाइए