

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1448  
ANSWERED ON:16.07.2004  
INTEREST ON NRI DEPOSITS  
Krishnadas Shri N.N.

**Will the Minister of FINANCE be pleased to state:**

- (a) the maximum percentage of interests for the NRI deposits decided by the nationalised banks in the country;
- (b) whether the percentage of interest is attractive at present;
- (c) if so, the details thereof; and
- (d) the criteria which is being implemented for fixing up the percentage of interest for NRI deposits by the nationalised banks?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(d): The interest rate on NRE term deposits for one to three years were set at LIBOR/SWAP rates for US dollar of corresponding maturity, effective April 17, 2004, while the ceiling on interest rate on NEE savings deposits was fixed at six-month US dollar LIBOR/SWAP rate. The interest rates on FCNR (B) deposits for one to three years are subject to a ceiling of LIBOR/SWAP rates of the corresponding currency for the corresponding maturities minus 25 basis points.

(b)&(c): The interest rate on these deposits are linked to LIBOR/SWAP rate. They generally conform to global interest rates in foreign currency deposits in US dollar, pound sterling, euro etc. and are quite competitive.