प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in
www.rbi.org.in\hindi
e-mail: helpprd@rbi.org.in

प्रेस सम्पर्क प्रभाग, केंद्रीय कार्यालय, पोस्ट बॉक्स 406, मुंबई 400 001
फोन: 2266 0502 फैक्स: 2266 0358, 2270 3279

PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

April 16, 1997

RBI frees interest rates on FCNR(Banks) deposits

Presently, the interest rates on Foreign Currency (Non- Resident) (Banks) (FCNR)(B) deposits are determined by the Reserve Bank Of India. In the Monetary and Credit policy for the first half of 1997-98 announced by the Governor of Reserve Bank Of India, the authorised dealers have been given more flexibility in regard to the fixation of interest rates on such deposits. Accordingly, banks may, now determine interest rates on FCNR(B) deposits, subject to a ceiling prescribed by the Reserve Bank Of India from time to time.

With effect from April 16, 1997 the ceilings on interest rates on FCNR(B) deposits of various maturities in the four currencies will be as under:

Ceilings on interst rates on FCNR(B) deposits Effective April 16, 1997

Maturity	GBP	USD	DM	JPY
6 months maturity and above but less than 1 year	5.25	4.50	2.75	0.50
1 year and above but less than 2 years	6.25	5.75	3.50	0.75
2 year and above but less than 3 years	6.75	6.00	4.25	1.00
3 years only	7.00	6.25	4.75	1.50

The ceiling rates would be revised by the Reserve Bank Of India as and when necessary

(Alpana Killawala)
Deputy General Manager

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