

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:805
ANSWERED ON:25.07.2003
NRI DEPOSITS
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Will the Minister of FINANCE be pleased to state:

- (a) the total amount of money received by the banks from the Non Resident Indians (NRIs) during each of the last three years;
- (b) the rate of interest being paid by the banks on NRI deposits;
- (c) how far the same compare with the interest being paid by some of the other countries;
- (d) whether NRI are allowed to repatriate their deposits in the Indian banks in dollars; and
- (e) if so, the terms on which the NRIs deposit their money in the Indian banks ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) :As per Reserve Bank of India, the details of deposit inflows and outflows under various NRI deposit schemes of Banks are as under:

(US \$ million)

Deposit Schemes	2000-01	2001-02	2002-03
Foreign Currency Non-Resident (Banks)	904	594	520
Non-Resident (External) Rupee Account	860	1626	5988
Non-Resident (Non-Repatriable) Rupee Deposit	553	508	-3704
TOTAL	2317	2728	2804

(b) : The rate of interest paid by the bank`s on NRI deposits is as under:-

Type of deposits Rate of interest

NRI Saving Bank 3.5% (with effect from 1.3.2003)
Current Accounts Nil
Term Deposits The banks were free to decide the interest rate till 16.7.2003.
Effective from 17.7.2003 interest rate should not exceed 250 basis points above the LIBOR/SWAP rates for US dollar of corresponding maturity, for fresh deposits of one to three years and the renewal of matured deposits.

(c): At present, the interest rates on FCNR(B) deposits are subject to a ceiling of LIBOR/ SWAP rates for the corresponding maturities minus 25 basis points, and generally conform to global interest rates in foreign currency deposits in US dollar, pound sterling, euro etc.

(d) & (e): FCNR(B) deposits which were repatriable were accepted by the banks at different interest rates for specified maturities prescribed by RBI from time to time in four foreign currencies, viz, the US Dollar, the Pound Sterling, the Deutsche Mark and the

Japanese Yen.