

# NRI's Can Look To Capitalize On The FCNR (B) Opportunity

11th June 2026

- RBI announced bearing the full hedging cost of banks for raising 3-5 years FCNR (B) deposits until September 2026 in its latest monetary policy, aimed at attracting foreign currency inflows.
- Combination of zero hedge cost and leverage could significantly improve return economics for NRI investors.

## Illustration Of Returns Assuming 7x & 10x Leverage Is Provided Below

	Leverage of 7x	Leverage of 10x
Data in US\$	Spread of 0.75%	Spread of 0.75%
Total FCNR(B) deposit placed	800,000	1,100,000
NRI equity contribution / own funds	100,000	100,000
Borrowed funds used for deposit	700,000	1,000,000
Implied leverage multiple	7x	10x
FCNR(B) deposit yield in India (%)*	6.0%	6.0%
Interest income on FCNR(B) deposit (Amt) (a)	48,000	66,000
Cost of borrowed funds (%)	5.25%	5.25%
Interest cost on borrowed funds (Amt) (b)	36,750	52,500
Net interest income to NRI depositor (a-b)	11,250	13,500
<b>Return on NRI equity/ IRR from Own Fund</b>	<b>11.25%</b>	<b>13.50%</b>

Source: KMAMC Internal | Details as per latest data available publicly

\*The above FCNR (B) deposit rate is of State Bank of India as per article of ndtvprofit.com dated Jun 10, 2026

**Above Illustration indicate potential USD returns of 10–15%, supported by 7x–10x leverage.**

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