

## **Interest Rates on Deposits**

February 28, 2003

Ref No. DBOD. Dir.BC. 76/13.03.00/2002-03

All Commercial Banks  
(Including Regional Rural Banks)

Dear Sir,

### **Interest Rates on Deposits**

Please refer to our directive DBOD.No.Dir.BC.151/C.347/85 dated December 27, 1985, as amended from time to time.

2. It has since been decided to reduce the interest rate on domestic and ordinary non-resident savings deposits as well as savings deposits under Non-resident (External) Accounts Scheme by 0.5 percentage point from 4.0 per cent to 3.5 per cent per annum effective March 1, 2003.

3. All other instructions issued from time to time in this regard will remain unchanged.

4. An amending directive DBOD.No.Dir.BC.75/13.03.00/2002-03 dated February 28, 2003 is enclosed.

5. Please acknowledge receipt.

Yours faithfully,

**(C. R. Muralidharan)**  
**Chief General Manager**  
Encls : As above.

## **Interest Rates on Deposits**

February 28, 2003

Ref No. DBOD. Dir.BC. 75/13.03.00/2002-03

### **Interest Rates on Deposits**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and in modification of its directive DBOD.No.Dir.BC.151/C.347/85 dated December 27, 1985 as amended from time to time, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, the rate of interest on domestic and ordinary non-resident savings deposits as well as savings deposits under Non-resident (External) Accounts Scheme shall be 3.5 per cent per annum effective from March 1, 2003.

2. Accordingly, Annexure-I and Annexure-II of the directive DBOD.No.Dir.BC.151/C.347/85 dated December 27, 1985, may be amended. All other provisions shall remain unchanged.

**(K. L. Khetarpaul)**  
**Executive Director**