

## **Interest Rates on Deposits**

Ref.No.UBD.BPD.DIR/PCB.CIR. 42 /13.01.00/2002-03

25 March 2003

To All Primary Co-operative Banks

Dear Sir,

### Interest Rates on Deposits

Please refer to our Directive No.UBD.DC.102/V.1-86/87 dated 25 June 1987 amended from time to time on the captioned subject.

2. It has since been decided to reduce the interest rate of 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 shall remain unchanged
4. An amending Directive No.UBD.BPD.PCB.DIR/ 4 /13.01.00/2002-03 dated March 25, 2003 is enclosed.
5. Please acknowledge receipt of this circular to the Regional Office concerned.

Yours faithfully,

(K.V. Rajan)

Chief General Manager

Encl: As above

Ref.No.UBD.BPD.PCB.DIR. 4/13.01.00/2002-03

25 March, 2003

### Interest Rates on deposits

In exercise of the powers conferred by Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949 and in modification of its Directive No.UBD. DC. 102/ V.1-86/87 dated 25 June 1987 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 No.UBD.DC.102/V.1-86/87 dated 25 June 1987 may be amended. All other provisions shall remain unchanged.

(N. Sadasivan)  
Executive Director