

**Interest Rates on Rupee Deposits held in Domestic, Ordinary Non-Resident (NRO)
and Non-Resident (External) (NRE) Accounts**

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and in modification of the Master Directive No. DBOD. Dir. BC. 07/13.03.00/ 2001-02 dated August 11, 2001 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, paragraphs 11, 13 and 14 of the said directive shall be substituted by the following:

Paragraphs 11 and 14 (Overdue deposits and interest payable on the deposit account of deceased depositor)

"The matter is left to the discretion of individual banks subject to their Board of Directors laying down a transparent policy in this regard and the customers being notified at the time of acceptance of deposit. The policy should be non-discretionary and non-discriminatory".

Paragraph 13 (Margin on advance against term deposit)

"The matter is left to the discretion of individual banks subject to their Board of Directors laying down a transparent policy in this regard."

2. All other provisions of the directive shall remain unchanged.

(Usha Thorat)
Executive Director