

Interest Rates on Deposits

**Reserve Bank of India
Central Office
Department of Banking Operations and Development
Centre - 1, World Trade Centre
Cuffe Parade, Colaba, Mumbai - 400 005**

DBOD. Dir.BC. 158 /13.03.00/2000

April 1, 2000

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 4.5 per cent to 4.0 per cent per annum effective April 1, 2000.

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

4. An amending directive DBOD.No.Dir. BC.157 /13.03.00/2000 dated April 1, 2000 is enclosed.

5. The existing ANNEXURE (to Annexure-II) of Chapter 9 of Manual of Instructions Vol.I - Part-I may be amended as per slip-13..

6. Please acknowledge receipt.

Yours faithfully,

(P.V. Subba Rao)
Chief General Manager

Encls : As above.

DBOD.No. Dir.BC. 157/13.03.00/2000

April 1, 2000

Interest Rates on Deposits

In exercise of the powers conferred by Sections 21 and 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 4.0 per cent per annum effective from April 1, 2000.

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.

(G.P. Muniappan)
Executive Director

Slip-13

(Chapter 9 of Manual of
Instructions, DBOD, DBS, IECD
Dir.BC157 of 2000)

ANNEXURE
(to Annexure-II)

Rate of Interest on Deposits
(Domestic, NRO and NRE Deposits)

<u>Category of Account</u>	<u>Per cent per annum</u>
(i) Current	Nil
(ii) Savings	4.0
(iii) Term Deposits* 15 days and over	Free

* Minimum maturity 6 months for NRE deposits.