



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**  
www.rbi.org.in

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March 5, 1997

All State/Central Co-operative Banks

Dear Sir,

**Interest Rates on Deposits**

It has been brought to our notice that some banks, while soliciting deposits from the public, have resorted to highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the bank for the particular period of the deposits. As this is likely to mislead the customers, the banks should in any advertisement and literature soliciting deposits indicate the simple rate of interest per annum for the period of the deposit.

2. The banks are advised to follow these instructions scrupulously.
3. Please acknowledge receipt to the concerned Regional Office.

Yours faithfully,

Sd/-

**(Y.S.P. THORAT)**  
**Addl. Chief General Manager**