



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RPCD.CO.RRB.BC.No.57 /03.05.33 /2011-12

January 30, 2012

All State Co-operative Banks (StCBs) / District Central Co-operative Banks (DCCBs) /
Regional Rural Banks (RRBs)

Dear Sir,

Deregulation of Savings Bank Deposit Interest Rate - Guidelines

Please refer to our [circulars RPCD.CO.RRB.BC.NO.33/03.05.33/2011-12 dated November 23, 2011](#) and [RPCD.CO.RCB.BC.No. 47/07.38.01/2011-12 dated December 26, 2011](#) on the captioned subject.

2. Based on the references received from banks, we clarify that the revised guidelines issued vide our circulars referred to above would be applicable to domestic savings bank deposits held by residents in India. Further, the interest rates applicable on the domestic savings deposit will be determined on the basis of end-of-day balance in the account. Accordingly, while calculating interest on domestic savings bank deposits, RRBs/StCBs/DCCBs are required to apply the uniform rate set by them on end-of-day balance up to Rs. 1 lakh and for any end-of-day balance exceeding Rs.1 lakh, banks may apply the differential rate(s) as fixed by them.

3. RRBs/StCBs/DCCBs may ensure that interest rate is applied, as stated above, on the end-of-day balances of all domestic savings deposits accounts and no discrimination is made at any of its offices. Prior approval of the Board/Asset Liability Management Committee (if powers are delegated by the Board) may be obtained by RRBs/StCBs/DCCBs while fixing interest rates on such deposits.

4. All other instructions in this regard, as amended from time to time, will remain unchanged.

5. Please acknowledge receipt of this circular to the Regional Office concerned.

(C. D. Srinivasan)

Chief General Manager