

The Gandhinagar Urban Co-Operative Bank Ltd., Sector-21, Gandhinagar.

Policy on Interest Rate on Deposits

Objective

In the terms of Para No. 4(a) Chapter-II of the Master Direction MD.DCBR.DIR No.1/13.01.000/2015-16 Dated 12/05/2016 all urban co-operative bank has to formulate Policy on Interest Rate on Deposit

The Board, directed by the undersigned has, therefore prepared a fresh draft that is based on the provisions of Master Direction of the RBI on the Interest rate on Deposits. It is proposed that the enclosed draft copy of the policy on Interest Rate on Deposits approved on the Date 17/04/2020 in board meeting. The policy on Interest Rate on Deposits by immediately thereafter.

General Rules

1. **Current Deposits:** Current Deposits mean deposits maintain in current account, credit balance in loan and advances accounts.
 - (a) No interest shall pay on Current Deposits
 - (b) The balances lying in current account in the name of decease Individual depositors or sole proprietor ship concern shall pay interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to saving deposits as on the date of payment.

2. **Saving Bank Deposits:** Saving Bank accounts, Basic saving accounts, Small saving accounts
 - (a) The Board of Director shall decide the rate of interest payable on saving Bank deposits.
 - (b) The Board of Directors shall decide to pay additional rate up to 1.00% on saving deposits of bank staff/staff family
 - (c) Payment of interest on deposits shall be rounded off to the nearest rupee.



- (d) Interest on savings deposit shall calculate on daily closing balance basis and shall be credited at quarterly or longer intervals

3.Fixed Deposits: All type of term deposits including recurring deposits accounts

- (a) The Board of Directors shall decide the rate of interest payable on different kind of fix deposits held by the bank considering the prevailing conditions of liquidity in money market and competitive rates offered by other banks for deposits of different maturity periods. While deciding the rate of interest on fix deposits the rate of interest on advances shall also be considered so as to set a reasonable span to maintain the sustainable growth.
- (b) The rates so fixed shall be reviewed from time to time.
- (c) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- (d) Interest rates payable on deposits shall be strictly as per the schedule of interest rates disclosed in advance.
- (e) The rates shall not be subject to negotiation between the depositors and the bank.
- (f) The interest rates offered shall be reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.
- (g) All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee.
- (h) If a term fix deposit is maturing for payment on a Sunday / holiday / non-business working day, banks shall pay interest at the originally contracted rate on the original principal deposit amount for the Sunday / holiday / non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceed of the deposit on the succeeding working day. In case of reinvestment deposits and recurring deposits, banks shall pay interest for the Intervening non-business working day on the maturity value.
- (i) In case of premature withdrawal of a term deposit bank shall charge the penalty interest 1.00%. In this cases Interest shall be paid at the one percent less than the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate. No interest shall be paid, where premature withdrawal of deposits takes place before completion of thirty days.
- (j) If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits or contracted rate of interest on the matured Fix Deposit which is lower. Bank shall pay interest from date of maturity of fix deposit till the date of payment to depositor at the rate of interest applicable to saving deposits or contract rate of matured Fix Deposit which is



lower as on the date of payment of deposit.

(k) The Board of Directors shall decide to pay additional rate up to 1.00% on all types of fix deposits of bank staff/staff family.

(l) The Board of Directors shall decide to pay additional rate of interest on deposits of senior citizen depositors as per guidelines of RBI.

All other terms and conditions as prescribed in above Master Direction shall be applicable

Date : 29/06/2021




General Manager
The Gandhinagar Urban Co. Op. Bank Ltd