

The Barmer Central Cooperative Bank Ltd. BARMER
Head Office, Mahaveer Nagar, Barmer

"Interest Rate Policy on Deposits"

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"Interest Rate Policy on Deposits"

1. Introduction:

This policy document on BANK interest on deposits outline the guideline principle in respect of interest of interest paid on various deposit product offered by the Bank and term and conditions governing the conduct of the account . The document provides information about various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits and payment of interest on various deposit account for the benefit of customers. It is expected that this document will impart greater transparency in dealing with individual customers. This ultimate objective in that the customer will get services they are rightfully entitled to receive without demand.

While adopting this policy, the Bank right rates these commitments to individual customers outlined in the code of Bank's commitment to customers adopt by the Bank.

2. Definitions :

- "Individual" means a natural person.
- "Member of the banks staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on *deputation and an employee taken over in pursuance of any scheme of amalgamation*, but does not include a person employed on casual basis.
- "Retired member of the banks staff" means an employee retiring whether on superannuation or otherwise as provided in the banks Service/Staff Regulations.
- "Family" includes members as mentioned in the banks Service/Staff Regulations.
- "Daily product" means the interest applied on the end of day balance.
- "Domestic Rupee Deposits" mean rupee deposits maintained in India in the form of current account, savings deposits or term deposit.
- "The Bank" stands for The Barmer Central Cooperative Bank Ltd. BARMER

3. Type of Deposit Account:

Deposit product offered by the bank are assign different name the deposit product can be category into the following types. Definitions of major deposit schemes is as under:

- "Demand deposit" means a deposit received by the bank, which is withdrawable on demand.
- "Current Account" means a form of non-interest bearing demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.
- "Savings deposit" means a form of interest bearing demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "Basic Savings Bank Deposit Account (BSBDA)" or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period.



- "Term deposit" means interest bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring / Cumulative / Annuity / Reinvestment deposits and Cash Certificates.
- "Notice deposit" means term deposit for specific period but withdrawable on giving at least one complete banking day's notice.
- "Bulk Deposit" means Single Rupee term deposits of Rupees fifteen lakh and above.
- "NRE account" means a Non-resident External deposit account referred to in Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.

4. Interest Rate Framework :

The bank shall pay interest on deposits of money (other than current account deposits) accepted or renewed in their domestic rupees deposit and non-resident (external) account (NRE).

- There shall be a comprehensive policy on interest rate on deposit duly approved by the Board of Directors or any committee of the Board to which powers have been delegated.
- The rates shall be uniform across all branches and for all customers and there shall be no discrimination in there matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its office, except on bulk deposits.
- Interest rate payable on deposits shall be strictly as per the schedule of interest rate disclosed in advance.
- The rates shall not be subject to negotiation between the depositors and the Bank.
- The interest rates offered shall be reasonable, consistent, transparent and available for supervisory renew/ scrutiny as and when required.
- All transactions, involving payment of interest on deposits shall be rounded off to the nearest rupee for rupee deposits.
- Deposits maturing on a Sunday / holiday / non-business working day :
 - If a term deposit is maturing for payment on a Sunday / holiday / non-business working day, The Bank 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 proceeds of the deposit on the succeeding working day.
 - In case of reinvestment deposits and recurring deposits, The Bank shall pay interest for the intervening non-business working day on the maturity value.

DOMESTIC RUPEE DEPOSITS :

5. Interest rate on domestic Current Account

No interest shall be paid on deposit held in current accounts, provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract 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 savings deposit as on the date of payment.

6. Interest Rate on domestic Saving Deposits

Interest on domestic rupee savings deposits shall be calculated on a daily product basis as under:



- A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

7. Interest Rates on domestic Term Deposits

Interest rates on deposits shall vary only on account of one or more of the following reasons:

- *Tenor of Deposits :*
The Bank shall have the freedom to determine the maturity / tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.
- *Size of Deposits :*
Differential interest rate shall be offered only on bulk deposits, Provided that differential interest shall not be applicable on deposit schemes framed on the basis of the Bank Term Deposit Scheme, 2006.
- *Non- availability of premature withdrawal option :*
The Bank shall have the freedom to offer term deposits without premature withdrawal option. Provided that all term deposits accepted from individuals (held singly or jointly) and Hindu Undivided Families for amount of Rupees one crore and below shall have premature-withdrawal-facility.

7.1 Payment of Interest on pre-mature term deposits withdrawal:

The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

- No interest shall be paid, on deposits held with the Bank for less than 7 days.
- Interest shall be paid at 1% below the rate applicable for the period of the deposit was held with the Bank and not at the contracted rate under all term deposit product.

8. Payment of Additional Interest on domestic deposits

8.1 The Banks shall, at their discretion, allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or term deposits of banks staff and deposits of Officer appoint by State Government who acts as the Chief Executive/ Executive of the Bank drawing regular salary from the Bank, subject to the following conditions:

- (i) The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.
- (ii) In the case of employees/ Officer appoint by State Government taken on deputation from another bank/ State Government the Bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.
- (iii) Bank Employees Federations, in which co-operative bank employees are not direct members, shall not be eligible for additional interest.
- (iv) The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:
 - member or a retired member of the co-operative banks staff, either singly or jointly with any member or members of his/her family; or
 - the spouse of a deceased member or a deceased retired member of the banks staff.

8.2 The Banks shall, at their discretion, formulate term deposit schemes specifically for resident Indian senior citizens, offering higher and fixed rates of interest as compared to normal deposits of any size, provided that this facility is not offered on the term



deposit standing in the name of an HUF or the Karta of the Hindu Undivided Family (HUF), even if the Karta is a resident Indian senior citizen.

- 8.3 The Banks shall, at their discretion, give their resident Indian retired staff, who are senior citizens, the benefit of additional interest rates as admissible to senior citizens over and above the additional interest payable to them by virtue of their being retired members of the co-operative banks staff.

9. Interest on overdue domestic deposits

- I. The rate of interest to be paid on renewal of overdue term deposits shall be subject to the stipulation contained in section 4 of this policy.
- II. If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.
- III. If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank for over 10 years the same will be transferred to DEA Fund at the rate specified by RBI.

10. Floating rate domestic term deposits

Floating rate domestic term deposits shall be linked to a directly observable and transparent market determined external benchmark.

11. Periodicity of payment of interest on domestic savings deposits

- I. Interest on savings deposit shall be credited at quarterly intervals.
- II. Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

12. Interest payable on the domestic deposit account of deceased depositor

The rate of interest on matured deposits standing in the name of a deceased individual depositor, or two or more joint depositors, where one of the depositors has died, shall be subject to the conditions laid down in section 4 of this policy.

13. Penalty on premature withdrawal of domestic term deposit

- I. Penalties for Premature withdrawal of term deposits approved by the Board of Directors or any Committee of the Board to which powers have been delegated.
- II. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits. If not, no penalty shall be levied.
- III. In case of splitting of the amount of term deposit at the request from the claimant/s of deceased depositors or Joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.
- IV. No penalty for premature withdrawal shall be levied, where depositors of the branch desires premature withdrawal of deposit consequent to the transfer of business to another branch of the Bank.
- V. No penalty for premature withdrawal shall be levied, if the depositors is desirous of shifting his/her present term deposits to another scheme with a higher ROI with the Bank, subject to the tenor being more than the present Term deposit tenor.



14. Interest on Amount transfer to DEA Fund, 2014 to RBI

In respect of unclaimed amount transfer to the Depositor Education and Awareness Fund (DEA Fund), the Bank shall be liable to repay a depositor or any other claimant, claiming his/her deposit or unclaimed amount at such rate of interest as maybe specified by the Reserve Bank of India in this behalf. Accordingly Reserve Bank hereby specifies that the rate of interest payable by Banks to the depositors/ claimants on the unclaimed interest bearing deposit amount transfer to the Fund shall be subject to decides from time to time by RBI simple interest per annum. the amount of interest should be rounded to the nearest rupee.

15. RUPEE DEPOSITS OF NON-RESIDENTS

15.1 Interest rates on Rupee Deposits - Non-Residents

Interest on deposits of money accepted or renewed under NRE / NRO deposit scheme shall be on the terms and conditions specified in the ensuing paragraphs:

- The interest rates shall be subject to the conditions updated by bank time to time.
- Interest rates on savings deposits under Non-Resident (External) Rupee (NRE) Deposit shall be in accordance with interest rate on Domestic Saving Deposits.
- Interest rates on NRE term deposits shall vary only on account of one or more of the following reasons:
 - *Tenor of Deposits:* The banks shall have the freedom to determine the maturity / tenor of the deposit subject to the condition that minimum tenor of NRE term deposits shall be one year.
 - *No, interest rate is to be paid, if an NRE deposit has not run a minimum period of one year.*
 - *Size of Deposits:* Differential interest rate shall be offered only on bulk deposits, decided by the Bank as Domestic Saving Deposits.
 - The Banks shall have the freedom to offer NRE term deposits without premature withdrawal option, provided that all NRE term deposits accepted from individuals (held singly or jointly) for amount of Rupees one crore and below shall have premature-withdrawal-facility.
- Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.
- The benefit of additional interest rate on deposits on account of being banks own staff or senior citizens shall not be available to NRE deposits.
- Interest on savings deposits shall be credited at quarterly intervals.

15.2 Prohibition on marking lien

The banks shall not mark any type of lien, direct or indirect, against NRE savings deposits.

15.3 Penalty on premature withdrawal of NRE deposits

Penalties for Premature withdrawal of term deposits approved by the Board of Directors or any Committee of the Board to which powers have been delegated.

15.4 Interest payable on the NRE term deposit account of deceased depositor

In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at the rate applicable to a domestic term deposit of similar maturity.



16. Prohibitions

The Banks shall not:

- 16.1 Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution or any other person except:
 - Commission paid to agents employed to collect door-to-door deposits under a special scheme.
 - Remuneration paid to Business facilitators or Business Correspondents.
 - Incentives granted to staff members as approved by the Reserve Bank of India from time to time.
- 16.2 Offer prize / lottery / free trips (in India and / or abroad), etc., or any other initiative having element of chance for mobilizing deposits.
- 16.3 Resort to unethical practices of raising of resources through agents / third parties to meet the credit needs of the existing / prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilisation.
- 16.4 Issue any advertisement / literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the co-operative bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.
- 16.5 Accept interest-free deposit other than in current account or pay compensation indirectly.
- 16.6 Accept deposits from / at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favouring client/s of private financiers or giving of an authority by power of attorney, nomination or other-wise, for such clients receiving such deposits on maturity.
- 16.7 Grant advances against term deposits maintained with other banks.
- 16.8 Open a savings deposit account in the name of Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organisations / agencies listed in Schedule - I.

Explanation:

For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

- (i) Create any fund to be utilized for charitable purposes in consultation with the depositors.

17. Exemptions

The provisions in the above paragraphs shall not be applicable to:

- 17.1 A deposit received by the Bank :
 - (i) from the institutions permitted to participate in the Call / Notice / Term Money Market both as lenders and borrowers.
 - (ii) for which it has issued a participation certificate.



17.2 Payment of interest on delayed collection of outstation instruments like cheques, drafts,

17.3 Bills, telegraphic/mail transfers, etc.

18. Authority for change in interest Rates :

Asset and Liability Committee (ALCO) shall have powers to review and suggest change interest rates on deposits which applicable after approved by Board of Directors / Administrator of the Bank.

19. Review of Policy :

The policy will be reviewed by Board of Directors / Administrator of the Bank once in two years or as when there is a major update direction issued by RBI for **Interest Rate on Deposits**.

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(1)	Primary Agricultural Credit Society which is being financed by the Bank.
(2)	Khadi and Village Industries Boards
(3)	Agriculture Produce Market Committees
(4)	Societies registered under the Societies Registration Act, 1860 or any other corresponding law in force in a State or a Union Territory
(5)	Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited or the words 'Private Limited
(6)	Institutions other than those mentioned in Section 27(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961
(7)	Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account
(8)	Development of Women and Children in Rural Areas (DWCRA)
(9)	Self-help Groups (SHGs), registered or unregistered, which are engaged in promoting savings habits among their members
(10)	Farmers Clubs - Vikas Volunteer Vahini – VVV


अनिल खिमोई
प्रबन्ध निदेशक
Managing Director




डॉ. निशान्त जैन
प्रशासक बैंक एवं जिला कलेक्टर, बाड़मेर
Administrator

Date : 10-06-2024