



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

RBI/2015-16/147
DBR.Dir.BC.No.33/13.03.00/2015-16

August 06, 2015

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir/Madam

Interest Rates on Deposits – Deposits of Army Group Insurance Directorate (AGID), Naval Group Insurance Fund (NGIF) and Air Force Group Insurance Society (AFGIS)

Please refer to our circulars DBOD.No.Dir.BC.121/C.347 (26)-86 dated October 29, 1986, DBOD. No. Dir. BC.26/C.347(26)-87 dated September 1, 1987 and DBOD. No. Dir. BC. 28/C.347(26)-87 dated September 11, 1987, in terms of which Public Sector Banks were permitted to pay additional interest of 1.28 per cent per annum over and above the normal rate of interest permissible in terms of directives on interest rates on deposits issued by Reserve Bank of India, from time to time, only on the term deposits for two years and above of Army Group Insurance Directorate (AGID), Naval Group Insurance Fund (NGIF) and Air Force Group Insurance Society (AFGIS), provided such deposits are not in any way linked with payment of insurance premia by the bank.

2. In line with complete deregulation of interest rates on deposits, it has been decided to withdraw the prescription of offering additional interest of 1.28 per cent per annum on the deposits of AGID, NGIF and AFGIS. Accordingly, interest rates on such deposits should be at par with other deposits of similar maturity and amount.

3. The above guidelines will be applicable at the time of accepting fresh deposits or renewal of the existing deposits. In other words, existing term deposits of AGID, NGIF and AFGIS may be continued till maturity.

Yours faithfully,

(Lily Vadera)
Chief General Manager