

	Bank of India Head Office	Retail Banking Department, Retail Deposit Division.
Branch Circular No. : 104/ 55		Sub: Deposits / 2010-11/ 5
Sub-subject: Interest Rates /30		
Ref.No:RDD:AK:		Date: 09.08.2010

CIRCULAR TO ALL BRANCHES /OFFICES

**Interest Rates on
Domestic Rupee Term Deposits
-Ex-Staff – cum – Senior Citizen
-Removal of ceiling of Rs 15 lac**

Please refer to Branch Circular No.102/27 Sub: Deposits/2008-09/03 dated 7.5.2008 regarding revision in interest rates on domestic rupee deposits- Ex staff –cum senior citizens.

2. With effect from 1.5.2008, it was decided to pay additional interest @ 1.50% p.a. over the card rates (i.e. 1% p.a. additional interest being paid to Ex Staff Members and 0.50% additional interest being paid to Senior Citizens) on fresh deposits / renewal of deposits for **maximum up to Rs. 15 lac**, having maturity; periods of 6 months and above, of our ex staff members who are Senior Citizens.

3. The matter was reviewed for removal of ceiling of Rs 15 lac and the memorandum was placed in the Board for their approval. The board has approved for removal of ceiling of Rs 15 lac. Now the staff members will be eligible to receive 1% additional rate of interest on their Term Deposits kept with the Bank without any ceiling of amount and the Ex staff senior citizens would also receive 0.5% additional rate of interest (over and above 1% applicable to staff members) for the Rupee Term Deposits having maturity of 6 months and above without any ceiling in amount.

4. We would like to clarify some of the points;

- I. Staff members are exempted from minimum amount criterion for term Deposits (Branch Circular no. 98/256 dated)
- II. Bank has allowed additional interest rate over and above the rate of interest subject to following conditions which are as per RBI guidelines :



In respect of a savings or term deposit account opened in the name of:

- (a) a member or a retired member of the bank's staff, either singly or jointly with any member or members of his/her family; or
- (b) the spouse of a deceased member or a deceased retired member of the bank's staff; and
- (c) an Association or a fund, members of which are members of the bank's staff;
- (d) Branch should obtain a declaration from the depositor concerned, that the monies deposited or which may, from time to time, be deposited into such account belong to the depositor as stated in clauses (a) to (c) above.**

For the purposes of sub-paragraph 4(ii). –

(i) "a member of the bank's 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.

(ii) "A retired member of the bank's staff" means an employee retiring whether on superannuation or otherwise as provided in the bank's Service/Staff Regulations, but **does not include an employee retired compulsorily or in consequence of disciplinary action;**

(iii) "Family" means and includes the spouse of the member/retired member of the bank's staff and the children, parents, brothers and sisters of the member/retired member of the bank's staff, who are dependent on such member/retired member, but does not include legally separated spouse;

III. Payment of additional interest is subject to the following conditions, namely:

(i) The additional interest is payable only so long as 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 taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the bank.

IV. Bank Employees' Federations in which bank employees are not direct members are not eligible for additional interest.



V. In case of joint accounts, the name of staff member/ ex staff member / Ex staff senior citizen or spouse of the deceased staff members, who has submitted declaration for owning deposits and seeking the benefits of additional rate , should be the first name in the account for receiving the benefits of additional rate of interest.

4. Instructions for removal of ceiling of Rs 15 lac will come into effect from the date of this BC



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