

## CHAPTER IV

### MOBILISATION OF DEPOSITS:

#### 4.1 INTRODUCTION:

The success of a society/bank will largely depend on the amount of deposits which it is able to collect. Interest should be paid regularly, yearly, half yearly or so, at the rates fixed in the by-laws or by the General Meeting/Managing Committee meeting of the society. Different rates on different deposit schemes should be given, viz.

1. Current or Saving,
2. Fixed for six months
3. Fixed for one year
4. Fixed for two, three, five or ten years,
5. Provident fund deposits of members repayable at the end of 5, 10, and 15 years etc.

The policy recommended with regard to the acceptance of deposits is set out by the Registrar. If the deposits are not taken away when the fixed period expires. Interest at current rates should be allowed on the if so provided in the by-laws or fixed deposit rules or the amount should be treated as suspense amount carrying to interest from the date of expiry until the owner either withdraws the money or gives notice that he deposits it for a further fixed term. <sup>(1)</sup>

Deposits are sums obtained by a society/bank from members/non-members on the ordinary terms prescribed by its bye-laws or by the general meeting, ordinarily, a society/bank should prefer deposits since they are a proof of its own credit and are generally cheaper than loans. A society should always prefer local deposits to those drawn from district centres.

#### 4.2 MOBILISATION OF DEPOSITS:

Deposits particularly time deposits and savings deposits are the main source of liquidity of banks. Therefore, mobilisation of deposits through different novel schemes is the secret of the success of bank. Thus Shri Mahalaxmi Co-operative Bank Ltd., with their innovative deposit schemes not only stimulate to those who have the capacity to save but, extract funds from those who do not have to do it. Deposit mobilisation require not only the creation of confidence among the people about the safety of their deposits but also assurance of higher returns on it.

Table No. 4:1 shows that, there is a continuous increase in the total deposits of the Shri Mahalaxmi Co-operative Bank Ltd. The growth index of the deposits is increased to Rs. 111.55 in 1987. The percentage growth increased from 11.48% to 16.68% for the period

from 1982 to 1987. The average of 5 years growth is 15.77%. Thus Deposit mobilisation during the last 3 years is very satisfactory.

#### TRENDS IN TOTAL DEPOSIT

Year	Total Deposits	Growth	Percentage Growth
1980-81	3,23,76,331	-	-
1981-82	3,62,09,613	38.33	11.84
1982-83	4,18,45,494	56.36	15.56
1983-84	5,8,91,203	90.45	21.61
1984-85	6,25,72,656	116.82	22.95
1985-86	6,68,79,465	43.06	6.88
1986-87	7,80,34,334	111.55	16.68

Why?  
How?

Source : Annual Reports of Shri Mahalaxmi Co-operative Bank Ltd.,

The Deposits of Shri Mahalaxmi Co-operative Bank Ltd., showed a continuous upward trend. The deposits stood at Rs.323.77 lakhs in 1981, this amount increased to Rs.780.34 in 1986-87. This increase of deposits was caused by many innovative schemes such as Sadabahar, Pigmy, Malahaxmi Deposit Certificate etc.

#### 4.3 COMPARISON OF DEPOSITS: ✓

Total Deposits of Shri Mahalaxmi Co-operative Bank

Ltd., comprises various types of deposits. They are as follows -

1. Fixed Deposits
2. Recurring Deposits
3. Deposit Certificate
4. Lakhpati Deposits
5. Shri Mahalaxmi Cash Bond
6. Sadabahar Deposits
7. Saptapadi Deposits
8. Shri Suvarna Mahotsavi Cash Bonds
9. Small Saving Deposit Scheme
10. Current Deposits
11. Saving Deposits
12. Dam Duppat Deposits

Thus Shri Mahalaxmi Co-operative Bank Ltd., besides the normal methods of mobilising deposits, have adopted various innovative schemes to expand their deposits.

#### 4.4 DIFFERENT SCHEMES OF SHRI MAHALAXMI CO-OPERATIVE BANK LTD:

##### 1. SAVING DEPOSITS:

It is a form of Demand Deposit. A person who is the member of this scheme receives pass book and cheque book facility. A member can withdraw the amount once or twice in a week. He has to give notice to the bank.

for drawing amount beyond the limit prescribed by the Reserve Bank of India. A minimum balance of Rs. 5/- should be kept in the account. Interest shall be calculated on saving account at 6% p.a. (2)

TABLE SHOWING SAVING DEPOSITS OF  
SHRI MAHALAXMI CO-OPERATIVE BANK LTD.  
DURING THE YEAR 1981 TO 1987

Year	Amount	Percentage of Total Deposit
1980-81	98,83,228	30.53
1981-82	1,04,87,314	28.96
1982-83	1,23,41,026	29.49
1983-84	1,33,27,293	26.19
1984-85	1,51,85,037	24.27
1985-86	1,87,04,109	27.97
1986-87	2,10,01,998	26.91

Source : Annual Reports of Shri Mahalaxmi Co-operative Bank, Kolhapur

The above table shows that savings deposits increased from Rs.98,83,228 to Rs.2,10,01,998 from 1981 to 1987. The Percentage of Saving Deposit to total Deposit in the year 1982 was 28.96% and it decreases in the year 1987 to 26.91%. It is highest in the year 1983 i.e. 29.49%. This scheme recorded more than two fold increase within a period of 7 years.

## 2. CURRENT DEPOSITS:

This scheme is mostly used by businessman, partnership firms, professionals who require to operate this account frequently. In this scheme there is no limit to deposit money in any time and to withdraw the same. Interest shall be paid on this deposit is according to the banking regulation. If Rs.1000/- is to deposit permanently, Demand Draft is to be paid by bank without commission. So this scheme becomes popular within short span of time. (3)

The above table shows that the amount of current deposits increased from Rs. 36,42,767 in 1981 to Rs. 74,07,053 in 1987. The percentage of total deposits in 1987 is 9.49%. It indicates that current deposits of Shri Mahalaxmi Co-operative Bank Ltd., is in increasing as well as decreasing trend. This trend is depend upon the amount of deposits deposited by individuals in current deposit account.

TABLE SHOWING CURRENT ACCOUNT DEPOSITS OF  
SHRI MAHALAXMI CO-OPERATIVE BANK LTD.

Year	Amount	Percentage of Total Deposits
1980-81	36,42,767	11.25
1981-82	32,43,858	8.96
1982-83	39,73,913	9.50
1983-84	71,11,417	13.97
1984-85	62,11,615	9.93
1985-86	70,49,802	10.54
1986-87	74,07,053	9.49

Source : Compiled from Annual Reports of the Bank

### 3. FIXED DEPOSITS:

A fixed deposit is the deposit of a fixed amount of money for a fixed period of time. The object of this scheme is to provide interest to the depositor. Interest on fixed deposits shall be paid yearly or such intervals as may have been agreed upon at the time of deposits. The Rate of Interest on fixed deposits period was as under:-

Fixed Deposit period	Rate of Interest
15 days to 45 days	5.0%
46 days to 90 days	5.0%

91 days to less than six months	7.5%
6 months to less than one year	9.0%
1 year to 23 months	10.0%
24 months and above	11.0%

The scheme provides monthly interest per thousand.

Rate of Interest	Monthly Interest per Thousand
10%	Rs. 8.25
11%	Rs. 9.10

The position of fixed deposits of Shri Mahalaxmi Co-operative Bank Ltd., is as under -

TABLE SHOWING FIXED DEPOSITS OF  
SHRI MAHALAXMI CO-OPERATIVE BANK LTD.,

Year	Amount	Percentage of Total Deposits
1980-81	1,88,50,637	58.22
1981-82	2,24,78,441	62.08
1982-83	2,55,30,555	61.01
1983-84	3,04,52,493	59.84
1984-85	4,11,25,556	61.49
1985-86	4,11,25,556	61.49
1986-87	4,96,25,282	63.60

Source : Annual Reports of the Bank

The table points out that the amount in this fixed deposit scheme went on increasing satisfactorily during the period of last 7 years. There is no ups and downs of this scheme. It is increased four times during the period of last 7 years. It indicates the favourable response given by the depositors to this deposit scheme. The percentage to total deposits in 1987 is 63.60%. In 1984 this percentage decreased by 59.84%.

#### 4. RECURRING DEPOSIT:

A recurring deposit is a deposit made by a person who undertakes to pay the bank every month a fixed amount of one rupee or a multiple or sub multiple thereof for a period of 12, 24, 36, 48, 60, 72 and 84 months. The object of the scheme is to enable depositors to provide for specific purposes by means of monthly deposits repayable in a lumpsum inclusive of interest at the end of a specified period. <sup>(4)</sup>

The nature of this scheme is as under -

Period in Months	Rate of Interest	Installment		Rs.
		Rs.10	Rs.50	Rs.100 .
12	10%	126.70	633.50	1267.00
24	11%	269.30	1346.50	2693.00
36	11%	427.50	2137.50	4275.00
60	11%	800.40	4002.00	8004.00
84	11%	1263.70	6318.50	12637.00

Source : Pamphlets of Shri Mahalaxmi Co-operative Bank.

The table clearly shows that the amount in this recurring deposit scheme went on increasing satisfactorily during the period of last 7 years. It also points out that the amount deposited in this scheme decreased in the year of 1986.

The recurring deposits of the bank in 1982 was Rs.14.37 lakhs in 1987. It is because of the favourable responses given by the depositors to this recurring deposit scheme.

5. SHRI MAHALAXMI CASH BONDS:

The object of this scheme is to provide prepaid interest to the depositors. The period of deposits is 1,2,3,5 years. The manner of deposit of this scheme is amount of deposit minus specified interest.

The nature of this deposit scheme is as under.  
Period wise amount to be paid.

<u>Period</u>	<u>Rs.100/-</u>	<u>Rs.500/-</u>	<u>Rs.1000/-</u>
1 Year	91.50	457.50	915.00
2 Year	82.10	410.50	821.00
3 Year	72.20	361.00	722.00
5 Year	58.15	290.75	581.50

Source : Pamphlets of Shri Mahalaxmi Co-op. Bank Ltd.,

*Explain*

This type of deposits in 1983 was Rs. 0.40 lakhs. It increased to Rs. 0.43 lakhs in 1987. Shri Mahalaxmi Cash Bonds deposits is high in 1985 amounted to Rs. 0.68 lakhs.

6. DAM-DUPPAT SCHEME:

Dam-Duppat Scheme or Money Multiplier Scheme is also one of the most attractive schemes introduced by the bank. The object of the scheme is to provide money multiplication to the depositor at specified period. The amount is ranged to Rs.500 - 1000 etc.

The nature of this scheme is as shown above -

<u>Deposit</u>	<u>Amount received after expiry of the period</u>
500	1002.50
1000	2005.00
5000	10025.00
10000	20050.00

Source : Pamphlets of Shri Mahalaxmi Co-operative Bank Ltd.

In Dam-Duppat Scheme, the deposits, Shri Mahalaxmi Co-operative Bank Ltd. received was Rs.3.66 lakhs in 1982. In 1986 it was Rs.0.91 lakhs. In 1987 there was no amount deposited in this scheme. So in this scheme depositors are not given favourable response.

## 7. SHRI MAHALAXMI DEPOSIT CERTIFICATE SCHEME:

In this scheme, the specified amount is kept in Deposit Certificate for specified period and after that fixed period the amount is receivable with interest charged by the bank.

The nature of this scheme is as under -

<u>Period</u>	<u>Amount of Deposit</u>		
	<u>Rs.500/-</u>	<u>Rs.5000/-</u>	<u>Rs.10000/-</u>
36 Months	692.37	6923.70	13847.40
60 Months	860.17	8601.70	17203.40
84 Months	1068.65	10686.50	21373.00
108 Months	1327.65	13276.50	26553.00
120 Months	1479.82	14798.20	29596.50
132 Months	1649.42	16494.25	32988.50

Source: : Pamphlets of the Bank

Shri Mahalaxmi Deposit Certificate Scheme is more popular among the depositors. In 1983 the amount of deposits is Rs.65.57 lakhs. There was tremendous increase during the five years. In 1987 the amount deposited is Rs.190.11 lakhs.

8. SAPTAPADI DEPOSIT SCHEME:

This scheme is also introduced by the bank. Object

of the scheme is to enable depositors to provide lump-sum for marriage of daughter and in addition a bank provides a small gift for the purpose. So this scheme is popular to the depositors. The deposit shall be made once in every calendar month on any working days.

The details of this scheme is as under -

<u>Period</u>	<u>Monthly Installment</u>	<u>Amount Repayable</u>	<u>Amount of Gift</u>
7	25	2750	20
	50	5500	40
	75	8250	60
	100	11000	80

Source : Pamphlets of the Bank

The table shows that, In 1983 there was Rs. 0.32 lakhs amount deposited in this Scheme. There increasing trend in this type of deposits. In 1987 the amount is increased to Rs. 0.39 lakhs. There is increasing trend.

#### 9. SADABAHAR OR MONTHLY INTEREST DEPOSIT SCHEME:

The bank introduced Sadabahr deposit scheme in order to attract the attention of the depositors. The object of the scheme is to enable depositors to provide

monthly income and to keep his deposits safe and to provide the amount to his successor. The period of deposits of this scheme is after repayment of 120 monthly instalments. The deposit shall be made once in every Calender month on any working day. 9

The nature of this scheme is as under -

Monthly Installment	Amount to be paid monthly after the expiry of full period	Amount to be paid to the successor
10	19.75	2177.50
20	39.50	4354.80
50	98.75	10887.00
100	197.50	21774.00
150	296.25	32661.00
200	395.00	43548.00

*Explain*

Source : Pamphlets of the Bank

The amount of this type of deposits in 1983 is Rs. 0.74 lakhs. It shows increasing trend, i.e. In 1987, it is Rs. 2.58 lakhs.

#### 10. LAKHAPATI DEPOSIT SCHEME:

In this scheme the amount is deposited in bank only at the time of opening an account. After fixed span of time, the amount is received in lakhs.

*Percent*

The nature of this scheme is -

<u>Period</u>	<u>Amount Deposited</u>
5 Years	58,125
15 Years	19,640
25 Years	6,635
35 Years	2,245
45 Years	760
55 Years	255
60 Years	150

Source : Pamphlets of the Bank

The amount deposited in this scheme is Rs. 3.95 lakhs in 1983. It is constant in 1984 and 1985 i.e. Rs. 6.94 lakhs. Then it shows decreasing trend i.e. Rs. 6.87 lakhs in 1986 and Rs. 6.22 lakhs in 1987.

Under this scheme the bank adopted the compound interest method in paying the interest to the depositors. The bank also followed the directives of the Reserve Bank of India.

#### 11. SMALL SAVING DEPOSIT SCHEME / PIGMY DEPOSITS:

This scheme was introduced with a view to mobilising deposits on small scale from both the rural and urban sections of the society.

In this type one can open an account from Rupee One to Rs.100/-. He earns attractive rates of interest and also he can withdraw one third amount of his saving in a month.

The amount deposited in this scheme in 1982 was Rs. 6.54 lakhs. It increased during the period 1982-83, 84, 85. It means this scheme was admired by the people to a great extent. This scheme also proved to be beneficial particularly to lower income people. In 1986 there was decline amounted to Rs. 14.56 lakhs.

In 1987 this deposit went on increasing satisfactorily i.e. Rs. 16.74 lakhs. Thus it proved to be beneficial particularly to lower income people.

#### 12. SHRI SUVARNA MAHOTSAVI CASH BONDS:

The Suvarna Mahotsavi Cash Bonds are the gift paid by the MCB's to its members ( as on 9/11/83 ) on its suvarna mahotsavi year. These cash bonds are of Rs.50/- forming Rs.101/- after six completed years. On 4th September 1987, nearly 7070 members are given these cash bonds total amounting to Rs.3,54,459/- .

#### 4.5 REVIEW OF THE ABOVE DIFFERENT DEPOSIT SCHEMES:

The total deposits of Shri Mahalaxmi Co-operative

Bank rose from 20.64 lakhs in 1981-82 to Rs.221.24 lakhs in the year 1986-87. In the year 1982-83 the proportion of saving deposits to total deposits decreased from 30.53% at the end of June 1981 to 26.91% at the end of June 1987. For this it can be concluded that the Bank has succeeded in mobilising the long term deposits. The number of individual depositors of such deposits is comparatively more.

It must be noted that fixed deposits play important role for the attain most of banks objectives. As a result the fixed deposits to total deposits rose from 58.22% at the end of June 1981 to 63.60% at the end of June 1987. It is because of the favourable response given by the depositors to this deposit scheme.

As compared to other deposit schemes like Lakhpati Deposit Scheme the Deposit certificate provide to be more attractive to the depositors.

Saptapadi among the newly started deposit schemes, saptapadi scheme, shri Mahalaxmi Cash Bonds were not increased satisfactorily during the period under review. Recurring deposits more or less remained constant or slowly increased during the period of last seven years. However the bank can't ignore such deposit as these deposits are more important for the point of view of poor people.

As in fact Dam Duppat Scheme and Lakhpati Deposit Scheme were not increased satisfactorily and showed decline trend particularly from the year 1987 under review. Because of the introduction of the Indira Vikas Patra, the amount is double in 5 years. It is not so here Indira Vikas Patra encourages to invest black money. Hence, people find it convenient to invest in the same.

Considering the present economic status and market people are not interested in investing in long term schemes such as Lakhpati Deposit Scheme etc.

Instead they prefer short term deposit scheme, Shares etc.

National Saving Certificate is also so much popular among the people. In this scheme, amount doubles in six years and there is same tax concession. Hence middle class as well as business class public invest in the same. Also people are interested to invest their deposit in post as the rate of interest in deposit is the same throughout.

Pigmy deposits can be increased slowly under review. So the bank must appoint honest pigmy agents and providing them incentives like bonus, prizes etc.

CLASSIFICATION OF TOTAL DEPOSIT SCHEMES OF SHRI MAHALAXMI CO-OPERATIVE BANK LTD;

FOR THE YEAR 1982-1987

( Rs. in lakhs )

Deposit Schemes	1982	1983	1984	1985	1986	1987
1. Recurring	10.44	11.44	11.91	12.85	12.71	14.37
2. Deposit Certificate	-	65.57	91.57	125.22	156.46	190.11
3. Small Saving Pigmy	6.54	9.97	13.22	15.73	14.56	16.74
4. Sadabahar	-	0.74	1.32	1.77	2.41	2.58
5. Saptapadi	-	0.32	0.47	0.62	0.70	0.79
6. Lakhapati	-	3.95	6.94	6.94	6.87	6.22
7. Shri Mahalaxmi Cash Bonds	-	0.40	0.45	0.68	0.61	0.43
8. Dar Duppatt	3.66	3.05	3.05	2.99	0.91	-
TOTAL	20.64	95.44	128.93	166.80	195.23	221.24

Source : Compiled from Annual Reports of the Mahalaxmi Co-operative Bank Ltd., Kolhapur.

POSITION OF DEPOSIT SCHEMES BY AMOUNT OF SHRI MAHALAXMI CO-OPERATIVE BANK LTD.,

AS ON 30/6/1987

Name of Deposit	Rs. 30000/-		Rs. 31000/- to Rs. 40000/-		Rs. 41000/- to Rs. 50000/-		Above Rs. 51000/-		Total	
	No. of A/c.s	Amount	No. of A/c.s	Amount	No. of A/c.s	Amount	No. of A/c.s	Amount	Total No. of A/c.s	Amount
1. Fixed Deposit	3606	20764019	13	457000	9	435000	6	612950	3636	22268969
2. Recurring Depo.	717	991041	2	70000	-	-	-	-	719	1061041
3. Deposit Certificate	2728	13300643	7	237500	3	150000	7	660000	2745	94568943
4. Lakhpati	704	569342	1	30659	-	-	-	-	705	600001
5. Shri Mahalaxmi Cash Bonds	167	41650	-	-	-	-	-	-	167	41650
6. Sadabahar	56	253832	-	-	-	-	-	-	56	253832
7. Saptapadi	25	76350	-	-	-	-	-	-	25	76350
8. Shri Suvarna Mahotsavi Cash Bonds	7070	354459	-	-	-	-	-	-	7070	354459
9. Small Saving Deposit Scheme	1059	1362014	-	-	-	-	-	-	1059	1362014
10. Current Deposit	693	496209	6	198135	1	41752	14	2514901	714	3250997
11. Saving Deposit	10992	10772066	31	1133733	11	490615	30	2379444	10064	14775857
12. Udyannagar Br.	3495	4221402	7	258114	4	187534	12	1033996	3418	6701076
13. Market Yard Br.	684	1170907	1	40000	3	150000	2	216001	690	1576908
14. Shahupuri Br.	1100	2683247	5	174178	10	446793	22	2367069	1137	5671287
15. Tarabai Park Br.	996	4919747	11	377000	3	141000	10	634000	1020	5479747
TOTAL	34092	62176928	84	2976350	44	2042694	105	10838361	34325	78034334

Source : Data Collected from Shri Mahalaxmi Co-operative Bank Ltd.

From the above table the Saving Deposits of Shri Mahalaxmi Co-operative Bank Ltd., rose from Rs.10772066/- to Rs.14775858/- in 1987. Saving deposits constituted to sizable proportion during the entire period. The fixed deposits increased from Rs.188.50 lakhs to Rs. 496.25 lakhs from 1981 to 1987. The total deposits of the bank rose from Rs. 32376331/- in 1981 to Rs. 78034334 in 1987. The table also indicates that the pigmy, recurring, deposit certificate schemes exhibited a upard trend. Pigmy deposits accounted for Rs.16.74 lakhs in 1986-87.

In this deposit schemes more depositers invested their deposits with range to Rs.30000/-. The number of accounts is high in saving deposit schemes. But in case of fixed deposits the depositers invest their money of the amount ranges from Rs. 41000/- to 50000/- and above Rs.50000/-

Thus the performance of Shri Mahalaxmi Co-operative Bank Ltd., regarding deposit mobilisation was satisfactory during the period under review.

#### 4.6 INTEREST RATES ON DEPOSITS:

The rates of Interest payable on the deposits by co-operative banks and other terms and conditions subject

to which the deposits may be accepted by them, were codified for the first time in an directive dated 16th August 1974 as amended from time to time. As the rates of interest prescribed for them deposits of various categories in the directive dated 16th August 1984 were the minimum rates and as the banks were found to be allowing varying rates of interest over and above those prescribed in the said directives, It was felt necessary, in the interest of uniformity, to prescribe a ceiling on the rates of Interest that may be offered by the banks. So primary co-operative banks could pay additional interest upto 1% over and above the minimum rates prescribed.

In 1975 it was observed that some banks had introduced novel schemes for mobilising deposits providing for award of prizes based on lucky draws in addition to the normal interest payable to all the depositors.

Banks have however been advised that there is no objection if the gifts are of small value and their value together with interest payable do not exceed the ceiling amount of interest as per rates stipulated in Reserve Bank's Directive compounded at quarterly rests. The banks should ensure that the value of individual gifts does not exceed the amount discretizing interest namely 1% permitted to urban banks over and above the rates stipulated for commercial banks.

? As per by-laws of Shri Mahalaxmi Co-operative Bank Ltd., in 1933 interest rate on deposits for six months to one year as  $\frac{1}{2}\%$  and above one year 1%. In 1972, Board of Directors shall frame the rules in respect of deposits, in respect of maintenance of records and distribution of records. ?

As per the above recommendation of the Reserve Bank of India, Board of Director shall decide the rate of interest on deposits and shall formulate new deposit schemes.

INTEREST RATES STRUCTURE IN RESPECT OF TERM & OTHER DEPOSITS FROM 16/8/74 ONWARDS  
( % p.a. )

	16 AUG. 1974	1 MAR. 1978	2 MAR. 1981	1 MAR. 1982	1 MAY 1985	1 APRIL 1987
<b>1. Term Deposits:</b>						
1. 15 days to 45 days	3.0	2.5	2.5	3.0	3.0	3.0
2. 46 days to 90 days	3.5	3.0	3.0	4.0	4.0	4.0
3. 91 days & above but less than 6 m's.	5.5	4.0	4.0	5.0	6.5	6.5
4. 6 months & above but less than year	7.0	5.0	5.5	7.0	8.0	8.0
5. 9 months & above but less than 3 y.	7.0	5.0	5.5	7.0	8.0	8.0
6. a) 1 Year & above but less than 3y.	8.0	-	-	-	-	-
b) 1 Year & above but upto & inclusive of 3 years.	-	6.0	-	-	-	-
c) 1 Year & above but less than 3 Y	-	-	7.5	8.0	8.5	9.0
d) 2 Year & above but less than 3 Y	-	-	-	9.0	9.0	-
e) 3 Year & above	-	-	-	-	-	10.0
7. a) 3 Year & above but upto & inclusive of 5 Years	9.0	-	-	-	-	-
b) Over 3 years but upto & inclusive of 5 Years	-	7.5	-	-	-	-
c) For 3 Years & above	-	-	10.0	10.0	-	-
d) 3 Years & above but less than 5 years	-	-	-	-	10.00	-
8. a) Above 5 years	10.0	9.0	10.0	10.0	-	-
b) For 5 Years & above	-	-	-	-	11.0	-
c) Saving Deposit	5.5	4.5	5.0	5.0	5.0	5.0
d) Current A/c. Deposits	0.5	0.5	0.5	0.5	0.5	0.5
Deposits upto 14 days & deposits subject to withdrawal or repayment by notice for a period of 14 days or less						
- Not exceeding 8.0%						

## NOTES:

1. The interest payable on fixed deposits as also on saving deposits shall be calculated quarterly or longer rests.
2. It has been clarified by the Reserve Bank that payment of interest on current deposits is purely discretionary and that primary co-operative banks may at their discretion pay upto 0.5% on current deposits.

## INTEREST RATE ON DEPOSITS:

Interest rates structure in respect of term and other deposits fro 6th August 1974 -

Effective 1st April 1987 an independent structure of Interest rates and maturities are -

ACCOUNTS	PERCENTAGE P.A.
1. Current Account & Deposits upto 14 days	0.5
2. Saving Accounts	5.0
3. Term Deposits -	
1. 15 days to 45 days	3.0
2. 46 days to 90 days	4.0
3. 91 days and above but less than 6 months	6.5
4. 6 months & above but less than 1 year	8.0
5. 1 year & above but less than 2 years	10.5
6. 2 Year & above but less than 3 years	11.0
7. 3 Year & above but less than 5 years	12.0
8. 5 Years & above	13.0

Source : Compendium of Guidelines issued by the R.B.I.  
Section III Page No.46

## REFERENCES

1. The Banking Regulation Act, 1949.  
( Amended upto Act No. 1 of 1984 )
2. Pamphlets of different deposit schemes of  
Shri Mahalaxmi Co-operative Bank Ltd., Kolhapur, 1981.
3. Ibid
4. Pass Book
5. Pamphlets of different deposit schemes of  
Shri Mahalaxmi Co-operative Bank Ltd., Kolhapur, 1981.
6. Bye laws of Shri Mahalaxmi Co-operative Bank Ltd., Kolhapur
7. Annual Reports of Shri Mahalaxmi Co-operative Bank ltd. Kolhapur.
8. Compedium of guidelines issued by the Reserve Bank of India for  
Primary Cooperative Banks, ( Upto 30th June 1985 ).