

GOVERNMENT OF KERALA

Finance (PRU) Department

CIRCULAR

No.86/79/Fin.

Dated, Trivandrum, 18th October, 1979.

Sub: Additional Emoluments (Compulsory Deposit) Act 1974-Rate of interest on deposits.

Ref: Letter No. F1 (12)CD/79 dated 28-9-1979 from the Government of India.

Extracts of the letter cited are communicated herewith for information and necessary action.

K.V.HARIKRISHNAN NAIR,
Joint Secretary.

To

The Accountant General, Kerala, Trivandrum.

All Heads of Departments and Offices etc., etc.

IMMEDIATE

GOVERNMENT OF INDIA

Ministry of Finance

(Department of Economic affairs)

C.D. Special ell

No.F.1 (12) CD/79.

New Delhi, the 28th September, 1979.

OFFICE MEMORANDUM

Subject: Additional Emoluments (Compulsory Deposit) Act, 1974-Rate of interest on deposits under.

According to section 7(1) of the Additional Emoluments (Compulsory Deposit) Act, 1974 read with Section 2(d) thereof, every amount credited in relation to an employee in a deposit account, carries simple interest at a rate 2 ½% over and above the maximum bank deposit rate, which till 28th February, 1978 was 10% per annum. Consequently, the deposits under the said Act carried interest at 12 ½% (Twelve and a half percent) per annum from 6th July, 1974 (the date of commencement of the Act) till 28th February, 1978. With the reduction of 1% in the maximum bank deposit rate from

1st March, 1978, the rate of interest on deposits under the A.E. (C.D.) Act, 1974 was also reduced to 11 ½% per annum from 1st March, 1978. the maximum bank deposit having been again raised to 10% with effect (a) from 1st October, 1979 in case of recurring deposits, cumulative deposits, etc. and (b) from 13th September, 1979 in the case of term deposits, etc. and (b) from 13th September, 1979 in the case of term deposits, the rate of interest payable on deposits under the A.E. (C.D.) Act, 1974 would also be raised to 12 ½% (Twelve and a half per cent) per annum from the first October, 1979 in terms of the provisions of Section 7 (1) *ibid*, read with the first proviso to paragraph 6 of the A.E.C.D. (Government Employees) Scheme, 1974.

Sd.

(R.N.HINGORANI)

Deputy Secretary to the Government of India.

All Ministries/Departments of the Government of India etc., etc.
