

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4560
ANSWERED ON:20.08.2010
INTEREST RATE ON FIXED DEPOSITS
Mishra Shri Mahabal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Public Sector Banks have reduced the rate of interest on fixed deposits while retaining the lending rate of interest; and
- (b) if so, the details thereof and the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): The rate of interest on deposits of Public Sector Banks (PSBs) had remained by and large unchanged for several months in the past. Recently, however, with increase in the policy rates of the Reserve Bank of India some of the PSBs have increased the rate of interest on fixed deposits in the range of 25 - 75 basis points. With this increase the BPLR has also been raised in the range of 25 to 75 basis points.

Some of the major PSBs that have effected changes in fixed deposit rates & BPLR include State Bank of India, Punjab National Bank, Bank of India, Bank of Baroda & Canara Bank.