

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2919
ANSWERED ON:26.11.2010
'RATE OF INTEREST ON TERM DEPOSITS'
Mohan Shri P. C.;Pandurang Shri Munde Gopinathrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received suggestions from various quarters requesting the Government to increase the rate of interest on term deposits;
- (b) if so, the details thereof for the last two years; and
- (c) the details of action taken by the Government in this regard?

Answer

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

- (a) & (b): Suggestions for making changes in various small savings schemes, including increase in the rate of interest on deposits, are received from various quarters from time to time.
- (c) : Interest rates on Small Savings Schemes are Administered Interest Rates, and are benchmarked to the average annual yield on Government Securities of comparable maturity in the secondary market, with a suitable spread subject to a maximum of 50 basis point over the benchmark yield. On this basis, the interest rate on small savings schemes, including term deposits, are reviewed periodically.