

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2133
ANSWERED ON:12.08.2011
SAVING BANK INTEREST RATES
Sugumar Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has mooted deregulation of savings bank interest rates;
- (b) if so, the details thereof;
- (c) whether the RBI has sought any feedback from the general public; and
- (d) if so, the details of such feedback?

Answer

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

(a): Yes, Sir.

(b): Keeping in view the progressive deregulation of interest rates, it was proposed in the Second Quarter Review of Monetary Policy 2010-11 announced on November 2, 2010 to prepare a Discussion Paper to delineate the pros and cons of deregulating the savings bank deposits interest rate and also place it on the Reserve Bank's website for feedback from general public.

(c): Yes, Sir.

(d): Accordingly, RBI delineated both the pros and cons of the deregulation of savings bank deposit interest rate in the Discussion Paper to generate a more informed public debate on the issues involved and it was also posted on RBI's website on April 28, 2011 for public comments/suggestions. The Discussion Paper evoked wide-ranging responses from a cross-section of stakeholders.