

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5886
ANSWERED ON:11.05.2012
INTEREST RATE ON DEPOSITS
Das Shri Ram Sundar;Karwariya Shri Kapil Muni

Will the Minister of FINANCE be pleased to state:

- (a) the details of rates of interest applicable to the short-term and long-term fixed deposits in the banks during the last three years;
- (b) whether the Reserve Bank of India / banks reduced the rates of interest despite the rise in prices of essential commodities during the said period;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether such reduction in the interest rates drive the depositors from the nationalised banks to the private banks; and
- (e) if so, the corrective measures taken / proposed to be taken by the Government in this regard?

Answer

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

- (a): Data on interest rates on term deposits of various maturities provided by various Banks during the last three years is at Annexure.
- (b) & (c): The Reserve Bank of India (RBI), in its Annual Policy Statement released on 17th April, 2012, reduced the repo rate by 50 basis Points to 8.0 per cent, as inflation had moderated significantly and rate of growth of the economy had slowed down below its post-crisis trend rate.
- (d) & (e): The changes in the policy rate by the RBI are uniformly applicable across different bank groups. The share of deposits in aggregate deposits among different bank groups, indicated in Annexure have not changed much during the last three years.