

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3455  
ANSWERED ON:14.12.2012  
INTEREST RATE ON SAVING DEPOSITS  
Sivasami Shri C.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is aware of certain Public Sector Banks (PSBs) having refused to revise their interest rate on savings deposits;
- (b) if so, the details thereof and the reasons therefor; and
- (c) action taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) to (c): No, Sir. Reserve Bank of India (RBI) has already deregulated the interest rate on saving bank deposits with effect from 25th October, 2011. Banks are now free to determine their interest on savings bank deposits subject to:-

- (i) Each bank will have to offer a uniform interest rate on savings bank deposits up to Rs.1 lakh, irrespective of the amount in the account within this limit; and
- (ii) For savings bank deposits exceeding Rs.1 lakh, a bank may provide differential rates of interest, if it so chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.