

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5865
ANSWERED ON:02.05.2003
DECLINE IN FD SCHEME OF BANKS
TUFANI SAROJ

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether there has been decline in Fixed deposits business of the public sector bank from June, 2002 to February, 2003;
- (b) if so, the details thereof alongwith reasons therefor; and
- (c) the steps being taken by the Government to encourage fixed depositors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) No, Sir.

(b) Does not arise.

(c) In order to improve flexibility, banks have been given freedom to decide the period of reset on variable rate deposits. Banks are also encouraged to make efforts to popularise flexible deposit schemes among the depositors as these are in the long-term interest of banks as well as depositors.