

Negative returns on Deposit Accounts

991. SHRI JYOTIRADITYA M. SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) whether the banks have raised an alarm over real returns on deposit accounts turning negative with the rise in inflation numbers;

(b) if so, whether investors are now showing less interest to deposit their money in banks due to negative returns on their savings; and

(c) if so, the corrective steps that Government proposes to take to help both banks as well as investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) No, Sir. As per Reserve Bank of India data, the rate of growth of deposits of Scheduled Commercial Banks has increased from 9.5% in March 2020 (year-on-year) to 11.5% June 2020 (year-on-year), despite the rate of growth of the Consumer Price Index (Retail) increasing marginally by 0.39% over this period, which is indicative of continued interest of depositors in depositing their money in banks despite rise in inflation.

(c) Question does not arise.

Challenges of bad debts/loans

992. SHRI JYOTIRADITYA M. SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has asked banks and non-banking financial institutions (NBFCs) to raise capital to brace for a possible pile-up in bad debts in the coming months;

(b) if so, the response of NBFCs, public sector banks and private sector banks in this regard; and

(c) the steps Government proposes to take to meet the challenges of bad loans/debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) No, Sir. RBI has informed that it has not asked banks and non-