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Axis Bank (Representative Image)

Private sector lender Axis Bank on Friday partially reversed the 100-basis-point (bps) cut in the interest rates on fixed deposits of more than R5 crore that it had effected on November 25. The lender will now pay interest at the rate of 6.25%, as against 5.5% till Thursday.

The move comes even as most banks are reducing rates on term deposits amid a flush of liquidity resulting from the government's decision to withdraw the legal tender status of old R500 and R1,000 notes. Banks received deposits worth Rs 11.55 lakh crore since

November 10, R Gandhi, deputy governor of the Reserve Bank of India, said on Wednesday. State-owned lender Bank of India reduced rates on deposits of more than Rs 10 crore of maturities between one year and less than eight years by 40 bps to 5.1%.