

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO.†1672

TO BE ANSWERED ON THE 10th March 2017/ Phalguna 19, 1938 (SAKA)

Banking Sector

QUESTION

†1672. SHRI ALOK SANJAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the increasing imbalance between the recurring accounts and saving accounts have created pressure on the banking sector and if so, the details thereof;
- (b) whether there is any proposal to change the interest rate on saving accounts to tackle the pressure and if so, the details thereof; and
- (c) whether any relaxation has been given in bank loans provided to the companies engaged in infrastructure development and if so, the details thereof along with the bank loans given to industries and institutions, sector-wise?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (c): Reserve Bank of India (RBI) has informed that the Scheduled Commercial Banks are free to determine their savings bank deposit interest rate, with the approval of their respective Board of Directors, subject to the following two conditions:-

- (i) Each bank will have to offer a uniform interest rate on savings banks deposits up to Rupees one lakh.
- (ii) For any end-of-day savings bank balance exceeding Rupees one lakh, a bank may provide differential rates of interest, if it 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.

RBI and Government has taken a number of steps for providing loans to the companies engaged in infrastructure development, which are as under:-

- Project Finance Guidelines of RBI.
- Long Term Structured Project Loans.
- Financing of Cost Overruns in Project Loans.
- Refinancing of Project Loans.
- Extension of Date of Commencement of Commercial Operations – Change in Ownership.

RBI has informed that the Industry Outstanding Advances is Rs. 29,98,424 crore as on 31.03.2016 and Rs. 29,66,442 crore as on 31.12.2016.
