

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. † 133
TO BE ANSWERED ON DECEMBER 15, 2017/AGRAHAYANA 24, 1939 (SAKA)

“Bank Interest Rates”

QUESTION

† 133. PROF. RAVINDRA VISHWANATH GAIKWAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes drastic cut in the bank interest rates to rein in inflation;
- (b) if so, the details thereof;
- (c) whether the Government has prepared any action plan in this regard; and
- (d) if so, the details thereof?

ANSWER

The Minister of State in the Ministry Of Finance

(SHRI SHIV PRATAP SHUKLA)

(a) to (d): The Reserve Bank of India has deregulated the interest rates on advances sanctioned by scheduled commercial banks with effect from October, 1994 and the interest rates are determined by banks with the approval of their respective Board of Directors.

The Reserve bank of India in its Fifth Bi-monthly Monetary Policy Statement of 2017-18 and Resolution of the Monetary Policy Committee released on 6th December, 2017 has estimated that inflation is likely to be in the range of 4.3 - 4.7 per cent in the last two quarters of the current fiscal year. Further, based on an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee of Reserve bank of India in its meeting held on 6th December, 2017 has decided to keep the policy repo rate unchanged at 6.0 percent.
