

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES**

**LOK SABHA
UNSTARRED QUESTION NO. 629
TO BE ANSWERED ON THE FEBRUARY 26, 2016/ PHALGUNA 7, 1937 (SAKA)
“Interest Rate on Bank Loan”**

QUESTION

629. SHRI CHANDRA PRAKASH JOSHI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to reduce the interest rate on bank loans;
- (b) if so, the details thereof; and
- (c) the other steps taken/being taken by the Government in this regard?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)**

(a) to (c): With the introduction of Base Rate system since July 1, 2010, all rupee lending rates (including advances up to Rs.2 lakh) have been deregulated. In a deregulated environment, the interest rates on all types of advances are now determined by banks themselves based on their commercial judgement.
