

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1537

ANSWERED ON:27.11.2009

WORKING GROUP ON BPLR

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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) had set up a Working Group on Benchmark Prime Lending Rate (BPLR) to review the BPLR structure for different borrowers in the country;
- (b) whether the said Working Group has submitted its report;
- (c) if so, the main recommendations thereof; and
- (d) the follow-up action be taken by the Government thereon?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) & (b): Yes, Sir. The Reserve Bank of India (RBI) constituted a Working Group to review the Benchmark Prime Lending Rates (BPLRs) and suggest an appropriate loan pricing system. The Working Group submitted its report in October, 2009.
- (c): The main recommendations of the Working Group include replacing the existing BPLR system with Base Rate, restricting overall sub-Base Rate lending at 15% of incremental lending, deregulating administered lending rate for loans upto Rs.2 lakhs, introducing greater transparency on loan pricing and scrupulous follow up of Banking codes and Standards Board of India (BCSBI) Codes for fair treatment to customers of banks.
- (d): The RBI has placed the report of the Working Group on its website for public comments and no final guidelines have been issued in this regard.