

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3990  
ANSWERED ON:09.12.2016  
Bank Interest Rates  
Rai Shri Nityanand

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

- (a) whether the Government has any proposal to consider formulation of any rules which allow banks to provide adequate loans to the public at low interest rates and if so, the details thereof;
- (b) whether the Government has formulated any scheme to bring about uniformity in rates of interest and loans of all the banks; and
- (c) if so, the details thereof along with the steps taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance

(a) to (c): Reserve Bank of India (RBI) vide its guidelines on Interest Rate on Advances dated 17th December 2016 followed by Master Direction dated 29th March 2016 on Interest Rate on Advances, have directed all Scheduled Commercial Banks to calculate Base Rates using the Marginal Cost of Funds. The Government and RBI do not interfere in fixing the interest rate on loans. Presently, each bank fix the Marginal Cost Lending Rate (MCLR) based on RBI guidelines and varies from bank to bank.

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