

Reduction in interest on bank loans

1761. SHRI RAJMANI PATEL:

DR. AMEE YAJNIK:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has given any direction to reduce the rate of interest on bank loans in the country;

(b) if so, the names of the banks, which have reduced the rate of interest on the loans; and

(c) whether any action is being taken against those banks, which have not reduced their rate of interest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India has issued Master Direction of Reserve Bank of India (Interest Rate on Advances) Directions, 2016, Scheduled Commercial Banks (excluding Regional Rural Banks) have in place comprehensive policies on interest rates on advances, duly approved by their Board of Directors or Board committee empowered in this behalf. The said directions prescribe internal benchmark based on which the banks are required to fix interest rates on loans. This benchmark rate is based upon the marginal cost of funds, the negative carry on the cash reserve ratio, operating cost and tenor premium costs. Thus, the directions governing fixation of bank loan interest rates are based on cost-linked formula, and depending on the direction in which a bank's costs move, the bank reduces or increases its interest rates on loans.

Reduction in GST Slabs

1762. SHRI VIJAY GOEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to reduce the existing number of slabs under the Goods and Services Tax (GST);

(b) if so, the details thereof; and

(c) the details of the GST rates in various countries around the world where the GST is being implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) The GST slabs of 5%, 12%, 18% and 28% were