

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3597
ANSWERED ON:20.08.2004
INTEREST ON LIC LOANS
Chandrappan Shri C.K.

Will the Minister of FINANCE be pleased to state:

- (a) the prevailing rates of interest on LIC loans;
- (b) whether there is any proposal for further reducing the interest on LIC loans;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

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

- (a) The Life Insurance Corporation of India (LIC), has informed that the prevailing rate of interest on LIC loans is 10.5% p.a. compounded half yearly.
- (b) & (c) Yes Sir. LIC has informed that interest rates are likely to be reviewed after the valuation result as on 31.3.2004 is finalized.
- (d) Does not arise.