

**Interest rates on advances**

**DS. PCB. CIR 32 /13.04.00/2001-02**

02 March 2002

The Chief Executive Officers,  
All Primary(Urban) Co-operative Banks.

Dear Sir/Madam,

**Interest rates on advances**

Please refer to our circular No. DS.PCB.CIR 64/13.04.00/1994-95 dated 20 June 1995 forwarding therewith directive UBD No. DS.PCB.DIR 19/13.04.00/1994-95 of the same date prescribing Minimum Lending Rate (MLR) of 13% per annum.

2. Recently, a number of urban co-operative banks and their Federations have represented to us for reduction in MLR to enable them to offer competitive rates to their borrowers. The matter has been examined and it has been decided that minimum lending rate may be reduced by 1%. Accordingly, UCBs may determine their lending rate subject to a minimum lending rate of 12% per annum.

3. Directive UBD.No. DS.PCB. DIR 3 /13.04.00/2001-02 dated March 02, 2002, incorporating the above change is enclosed.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

**(O. P. Sharma)**  
Chief General Manager In-charge.

**Interest Rates on Advances**

In exercise of the powers conferred by Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from the date of this directive, item No.I of the Annexure to the directive UBD.No.DS. PCB.DIR 3/13.04.00/1994-95 dated 17 October 1994 shall be substituted as under:

<b>Existing (All advances including term loans)</b>	<b>Revised (All advances including term loans)</b>
Free, subject to a minimum lending rate of 13% per annum.	Free, subject to a minimum lending rate of 12% per annum.

2. All other terms and conditions relating to advances, as contained in the directives issued from time to time, shall remain unchanged.

**(P. B. Mathur)**  
Executive Director

Withdrawn w.e.f. May 02, 2022