

**Minimum Lending Rate of Co-operative Banks
reduced to 12%**

March 7, 2002

The Reserve Bank of India has decided to reduce the minimum lending rate of urban co-operative banks (UCBs) by one per cent - from 13 per cent to 12 per cent. The reduced rate has come into effect from March 2, 2002. Urban cooperative banks may, therefore, determine their lending rates subject to a minimum lending rate of 12 per cent per annum.

The decision was taken in the wake of representations received from urban co-operative banks and their federations which had felt that such a reduction would help them offer competitive rates to their borrowers. It was decided to reduce the minimum lending rate of co-operative banks to 12 per cent per annum after examining the representations.

**Alpana Killawala
General Manager**

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