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प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 22, 2009

Working Group on Benchmark Prime Lending Rate

In pursuance of the [announcement](#) made in the Annual Policy Statement released on April 21, 2009, the Reserve Bank of India constituted a Working Group on BPLR on June 11, 2009 and invited comments and suggestions on the proposed Terms of Reference of the Working Group by June 19, 2009.

Accordingly, the terms of reference of the Working Group finalised in the light of comments received in response to the Reserve Bank's [press release of June 11, 2009](#) are to:

- i) review the concept of BPLR and the manner of its computation;
- ii) examine the extent of sub-BPLR lending and the reasons thereof;
- iii) examine the wide divergence in BPLRs of major banks;
- iv) suggest an appropriate loan pricing system for banks based on international best practices;
- v) review the administered lending rates for small loans up to Rs 2 lakh and for exporters;
- vi) suggest suitable benchmarks for floating rate loans in the retail segment; and
- vii) consider any other issue relating to lending rates of banks.

It was indicated that the Working Group would be chaired by Shri Deepak Mohanty, Executive Director, Reserve Bank of India and will have representations from the concerned departments of the Reserve Bank, Indian Banks' Association, Banking Codes and Standards Board of India, and public, private and foreign banks. The Group would also comprise external experts.

Accordingly, the constitution of the Working Group will be as follows:

Shri Deepak Mohanty
Executive Director
Reserve Bank of India
Mumbai.

Chairman

Dr. T. T. Rammohan
Professor
Indian Institute of Management
Ahmedabad.

Member

Dr Jahangir Aziz
 Chief Economist (India)
 J.P. Morgan
 Mumbai.

Member

Shri P. Vijaya Bhaskar
 Chief General Manager
 Department of Banking Operations and Development
 Reserve Bank of India
 Mumbai.

Member

Dr. Janak Raj
 Adviser-in-Charge
 Monetary Policy Department
 Reserve Bank of India
 Mumbai.

Member

Representatives from Indian Banks' Association, Banking Codes and Standards Board of India, State Bank of India, Punjab National Bank, Canara Bank, ICICI Bank and Citibank will be members.

Dr. Himanshu Joshi
 Director
 Monetary Policy Department
 Reserve Bank of India
 Mumbai.

Member Secretary

The Working Group may co-opt any other members as special invitees and may consult with all stakeholders.

The secretarial support to the Working Group would be provided by the Monetary Policy Department (MPD) of the Reserve Bank of India.

The Working Group is expected to submit its Report by end-August 2009.

The Working Group welcomes comments and suggestions on the issues relating to lending rates of banks including BPLR, which may please be forwarded to the Adviser-in-Charge, Monetary Policy Department, Reserve Bank of India, Central Office, Mumbai 400 001 (Fax: 022- 22610430; [email](#)).

Press Release : 2008-2009/2074

G. Raghuraj
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