

**Appendix Table I.1: Monetary and Credit Policy Measures**

Sr. Items No.	Measures	Effective Date
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<b>1. Interest Rates</b>		
a. Bank Rate	Reduced from 8 per cent to 7 per cent.	April 2, 2000
	Raised to 8 per cent.	July 22, 2000
b. Fixed Rate Repos	Reduced from 6 per cent to 5 per cent.	April 3, 2000
	Replaced by Variable Rate Repo.	June 5, 2000
c. Deposit Rates	Savings deposit rate on domestic and ordinary non-resident savings deposits as well as savings deposits under Non-resident (External) Accounts Scheme of scheduled commercial banks reduced from 4.5 per cent to 4.0 per cent.	April 3, 2000
d. Non-resident Deposit Rates	Banks given the option to choose the current swap rates while offering FCNR(B) deposits.	April 27, 2000
	Banks permitted to offer differential rates of interest on NRE deposits on size-group basis on the lines of domestic term deposits.	April 27, 2000
	Banks permitted to offer differential rates of interest on FCNR(B) deposits on size-group basis subject to the overall ceiling rate.	April 27, 2000
e. Lending Rates	Board of Directors of banks allowed to delegate powers to ALM Committee to fix interest rates on advances.	April 24, 1999
	Banks allowed to operate different PLRs for different maturities.	April 24, 1999
	Banks allowed to offer fixed rate term loans subject to conformity to ALM guide lines.	April 24, 1999
	The rates of interest on the foreign currency export credits which were to be fixed with reference to ruling LIBOR were also permitted to be fixed with reference to EUROLIBOR/ EURIBOR, wherever applicable.	August 16, 1999
	Freedom to banks to charge interest rates without reference to PLR, in respect of i) loans covered by refinancing schemes of term lending institutions; ii) lending to intermediary agencies; and iii) discount of bills with a view to encouraging bills culture.	October 29, 1999

	Withdrawal of the interest rate surcharge of 30 per cent on import finance, in force since January 1998.	October 29, 1999
	Withdrawal of the prescribed minimum interest rate of 20 per cent per annum on overdue export bills.	October 29, 1999
	Banks permitted to offer all loans on fixed or floating rate basis provided PLR stipulations as applicable are complied with.	April 27, 2000
	An interest rate surcharge at 50 per cent levied on bank credit for imports as a temporary measure.	May 26, 2000
	The interest rate applicable for overdue export bills in case of export credit not otherwise specified (ECNOS) at post shipment stage prescribed at 25 per cent per annum (minimum).	May 26, 2000
f.	Advances against Domestic/NRE/FCNR(B) term deposits	
	Banks allowed to charge suitable rates of interest on advances against domestic/ NRE term deposits without reference to the ceiling of the PLR in all cases where deposit rates are more than PLR.	April 24, 1999
	Freedom to banks to charge interest rates on loans against domestic/NRE (irrespective of repayment of loan in foreign currency or Rupee)/FCNR(B) deposits to the depositors without reference to their own PLR.	October 29, 1999
	Banks permitted to charge interest at suitable rates in case of advances up to Rs.2 lakh against third party deposits, as in case of advances to depositors against their own deposits.	March 23, 2000

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## 2. Reserve Requirements

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a.	Cash Reserve Ratio (CRR)	
	Reduced to 10.0 per cent.	May 8, 1999
	Gold imported by authorised banks and lent to jewellery exporters in India for exports exempt from CRR/SLR.	July 31, 1999
	Liabilities under gold deposits mobilised in India exempt from CRR.	October 5, 1999
	Reduced to 9.5 per cent.	November 6, 1999
	Incremental CRR of 10 per cent (over the level as on April 11, 1997) on FCNR(B) deposits done away with.	November 6, 1999
	Reduced to 9.0 per cent.	November 20, 1999
	Inclusion of 'cash in hand' with banks for calculation of CRR.	December 1, 1999 to January 31, 2000
	Reduced to 8.5 per cent.	April 8, 2000

	Reduced to 8.0 per cent.	April 22, 2000
	Borrowings of gold mobilized under the Gold Deposit Scheme by authorised banks from other authorised banks treated as inter-bank liabilities and exempt from CRR.	May 6, 2000
	Minimum daily requirement of CRR balances reduced from 85 per cent to 65 per cent.	May 6, 2000
	Raised to 8.25 per cent.	July 29, 2000
	Raised to 8.50 per cent.	August 12, 2000
b. Statutory Liquidity Ratio (SLR)	Remained unchanged at 25 per cent.	-

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### 3. Refinance

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a. Rate of interest on Export Credit Refinance (ECR)	Increased from 7 per cent to 8 per cent.	April 1, 1999
	Reduced to 7 per cent.	April 3, 2000
	Raised to 8 per cent.	July 22, 2000
b. Collateralised Lending Facility (CLF)	Replaced General Refinance Facility. Availment to banks limited to 0.25 per cent of the fortnightly average outstanding aggregate deposits in 1997-98 (i.e. Rs.1,314 crore) and for two weeks at the Bank Rate. Provision of an additional collateralised lending facility (ACLF), also of Rs.1,314 crore, at the Bank Rate plus two percentage points. Imposition of a penal rate of 2 percentage points on CLF and ACLF availed for second block of two weeks.	April 21, 1999
	The stipulation of a two week cooling period at the end of four weeks of availment of CLF/ACLF by banks was removed.	October 6, 1999
c. Liquidity Support Facility (LSF)	Tier-I liquidity support (constant throughout the year) against collateral of government securities, based on bidding commitment and other parameters, available to PDs at the Bank Rate for a period of 90 days. Provision of Tier-II liquidity support against collateral of government securities to PDs for periods not exceeding two weeks at a time at the Bank Rate plus 2 percentage points.	April 21, 1999
d. Special Liquidity Support Facility	Introduced to enable banks to meet any unanticipated additional demand for liquidity in the context of the century date change. Provision of liquidity to the extent of banks' excess holdings	December 1, 1999 to January 31, 2000

	of Central Government dated securities/Treasury Bills over the required SLR at an interest rate of 2.5 percentage points over the Bank Rate.	
e. Export Credit Refinance Facility	Banks given the benefit of rediscounting export bills with institutions like EXIM Bank and obtaining refinance from NABARD/EXIM Bank.	May 6, 2000
f. Liquidity Adjustment Facility (LAF)	The first stage of LAF introduced. ACLF to banks and Tier-II liquidity support to PDs replaced by variable rate reverse repo auctions. Fixed rate repo replaced by variable rate repo.	June 5, 2000
	Limits available to banks for all refinance facilities (including those for CLF) reduced temporarily to the extent of 50 per cent of eligible limits in two stages of 25 percentage points each.	July 29, 2000 (Stage I) August 12, 2000 (Stage II)
g. Special Funds Facility	A special funds facility introduced for banks and PDs to provide intra-day funds to facilitate settlement of securities transactions in case of gridlock.	October 3, 2000

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