

Credit Control and Other Measures

SEPTEMBER 2000

Selected circulars issued by the Reserve Bank of India during September 2000 are reproduced below.

Ref. No. UBD. DS. 5 /13.05.00/2000-2001 dated September 19, 2000

To All Primary Cooperative Banks at 19 Centres viz., Ahmedabad, Amritsar, Bhopal, Bangalore, Baroda, Calcutta, Chandigarh, Chennai, Coimbatore, Hyderabad, Indore, Jaipur, Kanpur, Lucknow, Madurai, Mumbai, Nagpur, New Delhi and Pune

High Reject Rate in Case of Demand Drafts Presented for Clearing at National Clearing Cell, Mumbai

With a view to reducing the high reject rate of MICR instruments presented for clearing, our National Clearing Cell, Mumbai Regional Office have carried out an analysis of the rejected instruments, which reveals that the average reject rate of Bank Drafts is as high as 4 per cent as compared to an average of 1.7 per cent for other instruments. The analysis further shows that the reject rate for Bank Drafts is high mainly on account of the following reasons:

- i) Missing sort code
- ii) Partial pre-printing of sort code
- iii) Non-MICR drafts

2. We believe that the Bank Drafts are got printed centrally by your bank and supplied to various branches for issuing to the clients. We shall, therefore, be glad if you will please take greater care while printing the Bank Drafts to ensure reduction in the reject rate of Bank Drafts to the maximum extent possible.

Ref. No.UBD.DS.SUB.CIR/3/13.01.00/2000- 2001.dated September 27, 2000

All Scheduled Primary Cooperative Banks

Permission to Participate in Call / Notice Money Market and Bills Rediscounting Scheme – Private Section Mutual Funds

Please refer to our Circular UBD. DS.SUB.Cir 8/13.01.00/99-2000 dated June 13, 2000 on the captioned subject. It has been decided to permit HDFC Mutual Fund to participate **only as a lender** in the Call/Notice Money Market (overnight call money and short notice money for period up to and including 14 days) and Bills Rediscounting Scheme.