

Credit Control and Other Measures

Selected circulars issued by the Reserve Bank of India during March 2001 are reproduced below.

Ref. No. MPD. BC. 205/07.01.279/2000-01 dated
March 1, 2001

All Scheduled Commercial Banks

Bank Rate

It has been decided that with effect from the close of business today (March 01, 2001), the Bank Rate will be reduced by one half of one percentage point from '7.5 per cent per annum' to '7.0 per cent per annum'.

2. All interest rates on advances from the Reserve bank as also the penal rates on shortfall in reserve requirements which are specifically linked to the Bank Rate stand revised as indicated in the Annexure.

Annexure
Interest Rates on Advances from Reserve Bank
and Penal Rates which are at present
Linked to the Bank Rate

Sr. No.	Advances to	Existing Rates	New Rates (Effective close of business on March 1, 2001)
Per cent per annum			
1. Scheduled Commercial Banks			
	i) Export Credit Refinance Facility	Bank Rate (7.5)	Bank Rate (7.0)
	ii) Collateralised Lending Facility (CLF)		
	Block I (First 2 weeks)	Bank Rate (7.5)	Bank Rate (7.0)
	Block II (From 3 rd week onwards)	Bank Rate plus 2.0 percentage points (9.5)	Bank Rate plus 2.0 percentage points (9.0)
2. State Co-operative Banks (SCBs)			
	Towards general banking business such as clearing adjustments, Liquidity, etc.	Bank Rate (7.5)	Bank Rate (7.0)

3. NABARD

General Line of Credit (GLC)

i) GLC I

To provide Refinance in respect of loans and advances for the purposes of seasonal agricultural operations (SAO) made by SCBs and Regional Rural Banks (RRBs)	Bank Rate minus 1.5 percentage points (6.0)	Bank Rate minus 1.0 percentage point (6.0)
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ii) GLC II

To provide refinance to SCBs, RRBs and commercial banks for refinancing Weavers' Co-op. society and for other approved short term purposes	Bank Rate minus 1.0 percentage points (6.5)	Bank Rate minus 0.5 percentage point (6.5)
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4. Primary (Urban) Co-operative Banks

i) Export Credit Refinance Facility	Bank Rate (7.5)	Bank Rate (7.0)
ii) For SSI	Bank Rate (7.5)	Bank Rate (7.0)

5. SIDBI [From NIC(LTO) Fund out of the loan repayment made by IDBI]	Bank Rate (7.5)	Bank Rate (7.0)
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6. Primary Dealers (PDs)

To enable PDs to effectively fulfill their obligations, the RBI is extending liquidity support to them against the security of holdings in Subsidiary General Ledger (SGL) Accounts Level I

Bank Rate (7.5)	Bank Rate (7.0)
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7. State Financial Corporations	Bank Rate (7.5)	Bank Rate (7.0)
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8. Government of India

a) Shortfalls in minimum balances	Bank Rate (7.5)	Bank Rate (7.0)
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b) Ways and Means Advances	Bank Rate (7.5)	Bank Rate (7.0)
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c) Overdraft	Bank Rate plus 2.0 percentage points (9.5)	Bank Rate plus 2.0 percentage points (9.0)
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9. State Governments

a) Shortfalls in minimum balances	Bank Rate (7.5)	Bank Rate (7.0)
b) Ways and Means Advances	Bank Rate (7.5)	Bank Rate (7.0)
c) Overdraft	Bank Rate plus 2.0 percentage points (9.5)	Bank Rate plus 2.0 percentage points (9.0)
10. Penal Interest Rates on shortfalls in reserve requirements depending on duration of shortfalls	Bank Rate plus 3.0 percentage points (10.5) or Bank Rate plus 5.0 percentage points (12.5)	Bank Rate plus 3.0 percentage points (10.0) or Bank Rate plus 5.0 percentage points (12.0)

Ref. No. PCB. DS. 34/13.01.00/2000-2001 dated
March 8, 2001

All Primary Co-operative Banks

Customer Service - Disposal of deposits on maturity - Intimation to impending due date of the deposit in Advance to customers/depositors

Please refer to our Circular UBD.No.POT.19/UB38/ 92-93 dated October 6, 1992 regarding implementation of Goiporia Committee recommendations on customer service in banks. Banks were advised, *inter-alia*, therein regarding inclusion in the term deposit application form, a direction for disposal of deposits on maturity (c.f. recommendation No. 3.21).

2. On the suggestion of the Regulation Review Authority constituted in RBI, we reiterate that banks should ensure sending of intimation of impending due date of deposit well in advance to their depositors as a rule in order to extend better customer service.