

Press Releases

Government of Haryana signs MoU with RBI

June 1, 2007

The Government of Haryana and the Reserve Bank of India has, on June 1, 2007 signed a Memorandum of Understanding with regard to urban co-operative banks in the State of Haryana. Consequent upon this, a State level Task Force on Urban Co-operative Banks (TAFUCB) has been constituted for Haryana. Shri D.P.S.Rathore, Regional Director for Haryana, Reserve Bank of India, is the Chairman of the TAFUCB and Shri R.R.Jowel, Registrar of Co-operative Societies, Government of Haryana is its Co-Chairman. The other members of the TAFUCB are: Shri Jagdish Mehta representing the National Federation for Urban Co-operative Banks (NAFUCB), Shri O.P.Sharma representing the State Urban Banks Association, a nominee of State Government of Haryana and a representative of Urban Banks Department, Reserve Bank of India, Central Office, Mumbai. The first meeting of the TAFUCB will be held shortly.

Similar MoUs have also been signed with the Governments of the nine other States. These are Gujarat, Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan, Uttaranchal, Chattisgarh, Goa and Maharashtra.

As part of its developmental role, the Reserve Bank would also be assessing the training, computerisation needs of the Urban Co-operative Banks in the State of Haryana with the objective of upgrading their human resources skills and technological infrastructure so that they improve their operational efficiency and quality of management information systems.

It may be recalled that in the Mid-Term Review of Annual Policy announced in October 2004, the Reserve Bank had announced that a vision document for Urban Co-operative Banks would be prepared. Accordingly, the Reserve Bank placed in public domain a draft vision document in March 2005. As the Urban Co-operative Banks are subject to dual control by the Reserve Bank and the State Governments, the vision document envisaged the signing of MoU between State Governments and the Reserve Bank to put in place an arrangement through which there is a convergence on the approach and remedial actions required to be taken for facilitating the development of the sector. The vision document also proposed the constitution of a State Level Task Force of Urban Co-operative Banks with representatives of State Government, State/National Federation of Urban Cooperative Banks and the Reserve Bank of India as its members, for the purpose of identifying the potentially viable urban co-operative banks and drawing up a time-bound action plan for their revival by setting specific monitorable milestones.

RBI Proposes to Liberalise Scope of Booking of Forward Contracts for SMEs and Resident Individuals

June 1, 2007

Under the extant forex regulations, for persons resident in India, a number of products are permitted for hedging of

genuine exposures. In the Annual Policy Statement for the year 2007-08, the Reserve Bank of India announced further measures of liberalisations in this regard. Particular focus of the policy was on Small and Medium Enterprises and resident individuals and the objective was to simplify the documentation requirements as well as dynamic hedging of exposures.

The Reserve Bank of India (RBI) has today placed on its website (www.rbi.org.in) a draft circular on the proposed liberalisation. The Reserve Bank has requested users of this facility to send their views/suggestions to the Chief General Manager, Foreign Exchange Department, 11th floor, Central Office Building, Reserve Bank of India, Mumbai 400 001 or fax them at 022-2261 0623 or e-mail within 15 days.

The Reserve Bank will examine the views/suggestions for refining the proposed facility.

STCI Primary Dealer Limited Authorised as Primary Dealer

June 22, 2007

STCI Primary Dealer Limited has been authorised to undertake Primary Dealer business with effect from Monday, June 25, 2007 and, concurrently, the authorisation given to Securities Trading Corporation of India Limited (STCI), as Primary Dealer, stands withdrawn.