

CREDIT CONTROL AND OTHER MEASURES JANUARY 1998

Selected circulars issued by the Reserve Bank of India during January 1998 are reproduced below.

Ref. UBD.No.Plan.PCB.CIR.34/09.09.01/97-98
dated January 6, 1998

All Primary Co-operative Banks

Monitoring of Priority Sector Advances- Submission of Return/Statement

Please refer to our Circular DBOD. No. UBD. P&O. 197/UB. 17(B)/83-84 dated September 9, 1983 read with Circular UBD.No.Plan.2/UB.17(B)/92-93 dated July 8, 1992 on the above subject.

In terms of Para 5 of the circular dated September 9, 1983, Urban Co-operative Banks with working capital of Rs. 5 crore and above were required to furnish half yearly statement as on 31st March and 30th September each year direct to Central Office with a copy to the concerned Regional Office, reviewing the performance of lending to Priority Sector.

It has since been decided to dispense with the half-yearly statement. Accordingly, half-yearly statement due for the half year ending on 31st March 1998 and 30th September 1998 and thereafter may not be sent to us. However, annual review as on 31st March each year should be submitted positively to the concerned Regional Office within one month from the end

of the period to which it relates. Thus the yearly review for the year ending 31st March 1998 will fall due on 30th April 1998 and may be sent accordingly.

Ref. RPCD.No.RF.DIR.BC.71/07.02.08/97-98
dated January 15, 1998

Ready Forward Transactions

As the Reserve Bank of India, (hereinafter referred to as the Bank) has, in terms of Notification No. S.O.2561 dated June 27, 1969, as amended vide Notification No. S.O.425 (E) dated June 1, 1994, issued by the Central Government in exercise of the powers conferred by sub-section (i) of Section 16 of the Securities Contracts (Regulation) Act, 1956, approved the 6 per cent Government of India Capital Indexed Bonds, 2002 for the purpose of ready forward contracts, the Bank in exercise of its powers conferred by Section 35A read with Section 56 of the Banking Regulation Act, 1949, and being satisfied that it is necessary in the public interest so to do, hereby permits the bank to undertake ready forward deals in the 6 per cent Government of India Capital Indexed Bonds, 2002 subject to the condition that:

i) the banks would undertake all transactions of ready forward in the 6 per cent Government of India Capital Indexed Bonds, 2002 only at Mumbai and

ii) such transactions shall be put through the Subsidiary General Ledger (SGL) Accounts.

Ref. DS.PCB.Cir.35/13.04.00/97-98 dated January 16, 1998

All Primary Co-operative Banks,

Interest Rate Surcharge on Import Finance

Please refer to our circular UBD No. DS. PCB. Cir. 29/13.04.00/97-98 dated December 17, 1997 on the above subject.

2. We advise that, effective January 17, 1998, the interest rate surcharge will be 30 per cent of the actual lending rate to be charged to a borrower for availing of credit facility for financing imports.

3. In respect of existing borrowers' accounts, the interest rate surcharge is leviable at the rate of 30 per cent on the outstanding balance as well as on fresh draws on or after January 17, 1998.