

Section 42 (2) of the Reserve Bank of India Act, 1934 - Collection of data from Scheduled Commercial Banks in Annexure A

March 7, 2003

DBOD.No.Ret.BC 78 /12.01.001/2002/03

**To All Scheduled Commercial Banks
(excluding Regional Rural Banks and Local Area Banks)**

Dear Sir,

Section 42 (2) of the Reserve Bank of India Act, 1934 - Collection of data from Scheduled Commercial Banks in Annexure A

Please refer to our circular letters DBOD No.BC.10/12.01.001/98-99 of February 15, 1999 and DBOD No.BC.50/12.01.001/2000-01 dated November 7, 2000 advising Scheduled Commercial Banks regarding compilation of data on foreign currency assets and liabilities and revaluation thereof in Annexure A to Form A returns under section 42(2) of the Reserve Bank of India Act, 1934.

While analysing the data received from the banks, it is observed that the banks are not complying with our instructions on the reporting of revaluation of foreign currency assets/liabilities leading to errors. The attention of the banks is, therefore, once again invited to the provisions contained in the following circulars for their guidance.

i) The term "revaluation value" in Column 3 of Annexure A is the revaluation gain/loss of foreign currency assets/liabilities arising on account of exchange rate changes between the current reporting Friday and the immediate preceding reporting Friday.
(para.2.7 of our circular dated November 7, 2000)

ii) Non-resident rupee liabilities like NRE, NRNR need not be revalued as these deposits are swapped into rupees at historical/notional rates at the time of acceptance of deposits. As such, the banks are advised to put zero under revaluation column of Non-resident rupee accounts like NRE, NRNR.

(para II Annexure A of our circular dated February 15, 1999)

iii) Banks should indicate figures of "Revaluation" for FCNR(B) accounts and not "Revalued Outstanding" .

iv) In terms of para II Annexure A of our circular dated February 15, 1999 banks should continue to indicate accrued interest (as is being indicated at present) in respect of all liabilities during the fortnight.

You are requested to ensure strict compliance with our above instructions while compiling the data/figures in respect of foreign currency assets/liabilities.

Please acknowledge receipt.

Yours faithfully,

(R.C. Mittal)
General Manager