

**Investment Portfolio - Transactions in Securities - Audit Review and Reporting System -
Modifications**

Ref DBS.FID No.C-16 /01.02.00/2002-03

June 20, 2003

The CEOs of all-India Term Lending and Refinancing Institutions

Dear Sir,

**Investment Portfolio - Transactions in Securities - Audit Review and Reporting System -
Modifications**

Please refer to paragraphs 3.V(ii) and 3.V(iii) of the Circular DBOD.FSC. BC. No.143A/24.48.001/1991-92 dated June 20, 1992 which had been forwarded to the Financial Institutions (FIs) vide our D.O. letter No.FIC.984-994/01.02.00/1991-92 dated June 23,1992. In terms of the aforesaid instructions, the FIs are required to forward to this Division (a) a half-yearly review of their investment portfolio after placing it before the respective Boards; and (b) the concurrent audit report of their treasury transactions every month after placing it before their Chief Executive Officers.

2. The matter has been reviewed and it has been decided to bring about the following changes in the existing reporting requirements by the FIs :-

(a) The submission of the monthly concurrent audit report to RBI should be discontinued, with immediate effect;

(b) With effect from the half-year ended March 31, 2003 the half-yearly reviews of the investment portfolio of the FIs should be submitted to the Regional Offices of the Department of Banking Supervision (DBS), within whose jurisdiction the Head Office of the FI concerned is located, instead of being submitted to this Division as hitherto; and

(c) The major irregularities observed in the concurrent audit report of the treasury transactions as also the position of compliance therewith should be incorporated in the half-yearly reviews of the investment portfolio to be submitted to the Regional Offices of the DBS

3. Please acknowledge receipt.

Yours faithfully,

(Rajesh Verma)

General Manager-in-Charge