

RBI/2004/370
CO.DT.13.01.299/H7400-7429/2004-05

February 19, 2005

The Chairman & Managing Director,
State Bank of India & Associate Banks
& 17 Nationalised Banks

The Managing Director
ICICI/IDBI/HDFC/UTI Bank Ltd. & SHCIL

Dear Sir,

Balances of Relief/Savings Bonds Scheme- Uniform Procedure

As you are aware, the Agency banks have been involved in the operation of Relief Bonds Schemes and Saving Bonds schemes since 1999 and 2002 respectively. Though acceptance of investments and servicing the bonds issued under the schemes is going on generally smoothly, reconciliation of the subscription amounts has been causing great concern to us as well as Government of India. The efforts being made by us in this regard are stymied due to submission of incorrect data by the Agency Banks. In order to overcome this problem and also with a view to securing uniformity in approach, we have made certain changes in the reporting system which were conveyed to all Agency Banks vide our circular No. RBI/2004/244 dated June 15, 2004.

2. While the steps initiated so far were focusing more on the principal, the outflow of interest payment has not been given due attention. There is an imperative need to take stock of the situation and initiate necessary steps forthwith. It has, therefore, been decided to put in place the following system with immediate effect:

a) Besides, submitting monthly appendix IV to our CAS, Nagpur and reporting PDOs, Agency Banks should submit information to us at Central Office on scheme-wise outstanding balances (cumulative & non-cumulative separately) in respect of Relief/Savings Bonds schemes for **the bank as a whole** and also to provide information on the estimated outflow towards payment of interest for

closed as well as on going Relief Bonds and Saving Bonds schemes, **on a monthly basis.**

b) To submit information as above for the branches within the jurisdiction of the PDO **to the PDO concerned** along with Appendix IV.

3. In the view of the foregoing, you are requested to bestow your personal attention and ensure uninterrupted flow of information as above.

Yours faithfully

(B.B.Sangma)
General Manager