

RBI NEWS - MAY - 2018

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May 29, 2018 : The Monetary Policy Committee (MPC) will meet on June 4-6, 2018 for the Second Bi-monthly Monetary Policy Statement for 2018-19. The resolution of the MPC will be placed on the website at 2.30 pm on June 6, 2018.

Policy Rates with effect from 02 AUGUST 2017	%
POLICY REPO RATE	6.00%
REVERSE REPO RATE	5.75%
MARGINAL STANDING FACILITY RATE	6.25%
BANK RATE	6.25%
Reserve Ratios	%
Cash Reserve Ratio	4.00%
Statutory Reserve Ratio WEF 14 OCTOBER 2017	19.50%

Date : May 23, 2018							
Scheduled Banks' Statement of Position in India as on Friday, May 11, 2018							
(Amount in Billions of)							
		SCHEDULED COMMERCIAL BANKS			ALL SCHEDULED BANKS		
		12-MAY-2017	27-APR-2018*	11-MAY-2018*	12-MAY-2017	27-APR-2018*	11-MAY-2018*
I	a) Deposits	105860.83	114313.2	113921.65	108705.56	117340.03	116929.37
	i) Demand	11007.2	12260.33	11675.81	11263.52	12540.58	11956.82
	ii) Time	94853.62	102052.91	102245.87	97442.05	104799.48	104972.59
II	CASH	584.4	694.1	650.84	602.24	711.47	667.47
III	INVESTMENTS	32376.51	33705.18	34000.94	33248.86	34640.88	34939.22
IV	BANK CREDIT	75909.41	85343.42	85510.99	78267.09	87921.76	88093

IMPORTANT NEWS

1. May 10, 2018 : Revised guidelines on lending to Priority Sector for Primary (Urban) Co-operative Banks (UCBs). Refer circular UBD.CO.BPD. (PCB). MC.No.18/09.09.001/2013-14 dated October 8, 2013 on the captioned subject and amendments thereto from time to time, consolidated in Master Circular DCBR.BPD.(PCB).MC.No:11/09.09.001/2015-16 dated July 1, 2015. The existing guidelines have been reviewed and it has been decided to issue revised guidelines in supersession of the guidelines in the above-mentioned Master Circular.

2. Salient features of the revised guidelines are under :

- Target for lending to total priority sector and weaker section will continue as 40 per cent and 10 per cent, respectively, of Adjusted Net Bank Credit

(ANBC) or credit equivalent of off-balance sheet exposure, whichever is higher, as hitherto.

- Agriculture :** Distinction between direct and indirect agriculture is dispensed with.
- Bank loans to food and agro processing units will form part of Agriculture.
- Medium Enterprises, Social Infrastructure and Renewable Energy will form part of priority sector.
- A target of 7.5 per cent of ANBC or credit equivalent of off-balance sheet exposure, whichever is higher, has been prescribed for Micro Enterprises.
- Education : Distinction between loans for education in India and abroad is dispensed with.
- Micro Credit ceases to be a separate category under priority sector.

viii. Loan limits for housing loans qualifying under priority sector have been revised.

ix. Priority Sector assessment will be monitored through quarterly and annual statements.

3. The revised guidelines will be operational with effect from the date of this circular. Priority sector loans sanctioned under the guidelines issued

prior to the date of this circular will continue to be classified under priority sector till maturity / renewal.

4. Achievement of Priority Sector targets :

Achievement of priority sector targets will be taken into account while granting regulatory clearances/ approvals for various purposes. With effect from April 1, 2018, achievement of priority sector targets will be included as a criterion for classifying a UCB as Financially Sound and Well Managed (FSWM), in addition to the criteria specified in our circulars UBD.CO.LS.(PCB).Cir.No.20/07.01.000/2014-15 and DCBR.CO.LS.(PCB).Cir.No.4/07.01.000/2014-15 dated October 13, 2014 and January 28, 2015 respectively. For the financial year 2018-19, shortfall in achieving the priority sector target/sub-target will be assessed based on the position as on March 31, 2018. From the financial year 2019-20 onwards, the achievement at

the end of the financial year will be arrived at based on the average of priority sector target/sub-target achievement as at the end of each quarter

Directions, Withdrawals, Penalties & Cancellation of Licences of Urban Co-operative Banks/Banks.

1) May 04, 2018 : Tumkur Grain Merchants Co-operative Bank Ltd., Tumkur, Karnataka – Penalised. RBI has imposed a monetary penalty of Rs. 5.00 lakh (Rupees Five lakh only), for violating Reserve Bank of India's instructions/guidelines on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/ Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002.

2) May 09, 2018 : Directions under Section 35A of the Banking Regulation Act, 1949 (AACS) – The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra- Extension of period for a further period of 06 (six) months from May 10, 2018 to November 09, 2018 Directive dated May 03, 2018 subject to review.

3) May 09, 2018 : Universal Co-operative Urban Bank Ltd., Mancherial, Telangana – Penalised. RBI has imposed a monetary penalty of Rs. 0.50 lakh (Rupees Fifty thousand only), for violation of Reserve Bank of India directives and guidelines on loans and advances to directors and their relatives.

4) May 14, 2018 : The Mehsana Urban Co-operative Bank Limited, Mehsana (Gujarat) – Penalised. RBI has imposed a monetary penalty of Rs. 1.00 Crore (Rupees One Crore only), for violation of the directives/ instructions/ guidelines issued to Urban Co-operative Banks (UCBs) under the provisions of the Act, ibid relating to grant of advances to directors and their relatives, Know Your Customer (KYC)/Anti Money Laundering (AML) norms, group exposure norms, etc.

5) May 15, 2018 : RBI imposed penalty on The Vriddhachalam Co-operative Urban Bank Ltd. (No.E 81), 64 South Fort Street, Vriddhachalam, 606001. RBI has imposed a monetary penalty of Rs. 2.00 lakh (Rupees two lakh), for violation of the directive of the Reserve Bank prohibiting extension of loans and advances to Directors/their relatives.

6) May 16, 2018 : Extension of Vasantdada Nagari Sahakari Bank Ltd, Osmanabad, Maharashtra. RBI has now further extended the directions for a period of six months from May 14, 2018 to November 13, 2018. The Directions stipulate certain restrictions and/ or

ceiling on withdrawal / acceptance of deposits.

7) May 16, 2018 : RBI imposes penalty on The United Co-operative Bank Ltd., Bagnan Station Road (North), PO Bagnan, Dist-Howrah, West Bengal. RBI has imposed on April 19, 2018, a monetary penalty of Rs. 5.00 lakh (Rupees Five Lakh) for violations/ non-adherence of (a) Area of Operation, Branch Authorisation Policy, Opening/ Up-gradation of Extension Counters, ATMs and Shifting/Splitting/Closure of Offices dated July 1, 2015, and (b) Section 35(2) of the Banking Regulation Act, 1949 (AACS).

8) May 17, 2018 : RBI imposed penalty on The Chittoor Co-operative Town Bank Ltd., Chittoor, Andhra Pradesh. RBI has imposed a monetary penalty of Rs.10,000/- (Rupees Ten Thousand only), for violation of Reserve Bank of India directives and guidelines on loans and advances to directors and their relatives.

9) May 18, 2018 : Reserve Bank of India imposes monetary penalty on South Indian Bank Limited. RBI has imposed, by an order dated May 14, 2018, a monetary penalty of Rs. 50 million for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms, Know Your Customer (KYC) norms and treasury function and for deficiencies in its compliance function and compliance culture.

10) May 19, 2018 : RBI issues Directions to the Shivam Sahakari Bank Ltd., Ichalkaranji, Dist; Kolhapur, Maharashtra. According to the Directions, depositors will be allowed to withdraw a sum not exceeding Rs. 1000 (Rupees One Thousand only) of the total balance held in every saving bank or current account or any other deposit account by whatever name called,

11) May 19, 2018 : RBI issues Directions to the Padmashree Dr. Vitthalrao Vikhe Patil Co-operative Bank Ltd., Nashik, Maharashtra. According to the Directions, depositors will be allowed to withdraw a sum not exceeding Rs. 1000 (Rupees One Thousand only) of the total balance held in every saving bank or current account or any other deposit account by whatever name called.

12) May 28, 2018 : RBI extends Directions issued to Rupee Co-operative Bank Ltd., Pune for a further period of three months from June 01, 2018 to August 31, 2018. The last extension was for a period of six months from November 22, 2017 to May 31, 2018.

Source: www.rbi.org.in