

RBI/2008-09/200
UBD.CO. BPD. (PCB). No. 20 /12.05.001/2008-09

September 30, 2008

Chief Executive Officers
All Salary Earners Primary (Urban) Co-operative Banks

Dear Sir / Madam,

Treatment of deposits with DCCB / SCB as SLR

Please refer to our circular UBD. CO. BPD. (PCB) No. 17 / 12.05.001 / 2007-08 dated September 20, 2007 on the captioned subject advising urban co-operative banks that when loan is availed from DCCB / SCB with which the UCB maintains deposits, the amount of loan availed would be deducted from the deposits irrespective of whether lien has been marked on such deposits or not, for the purpose of reckoning such deposits as SLR..

2. The matter has been reviewed on the basis of representations received for grant of extension of time to the Salary Earners Co-operative Banks for complying with the requirements prescribed therein. Considering the nature and membership profile of the Salary Earners Co-operative Banks and the difficulties expressed in the implementation of our instructions, it has been decided to grant a further extension of time upto March 31, 2009 to comply with our instructions.

Please acknowledge receipt to the Regional office concerned.

Yours faithfully,

(A. K. Khound)
Chief General Manager In-Charge