



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2013-14/628

UBD.BPD.(PCB).Cir.No. 68 /16.26.000/2013-14

June 5, 2014

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

**The Banking Laws (Amendment) Act 2012 – Amendments to Section 18 & 24 of Banking Regulation (B.R.) Act, 1949 (AACS) – Maintenance of Cash Reserve Ratio (CRR) for Non-Scheduled UCBs and Statutory Liquidity Ratio (SLR) for UCBs**

Pursuant to the enactment of the Banking Laws (Amendment) Act, 2012, giving powers to RBI to specify the percentage of CRR for Non-scheduled UCBs and the percentage of SLR as well as the form and manner of holding SLR by co-operative banks, it has been decided to increase the CRR for Non-Scheduled Primary (Urban) Co-operative Banks by 100 basis points from 3.00 per cent to 4.00 per cent of their total demand and time liabilities, on par with Scheduled Primary (Urban) Co-operative Banks, with effect from the fortnight beginning July 12, 2014.

2. Further, it has been decided to reduce the SLR for all primary (Urban) Co-operative Banks by 250 basis points from 25.00 per cent to 22.50 per cent of their total demand and time liabilities with effect from the fortnight beginning July 12, 2014. Primary (Urban) Co-operative Banks not maintaining SLR in three forms i.e. cash, gold and approved securities are given time upto March 31, 2015 to comply with instructions contained in the enclosed Notification. In the interim period, Primary (Urban) Co-operative Banks may continue to maintain SLR as per

..2/-

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेंट हाऊस, पहली मंज़िल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
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बैंक हिन्दी में पत्राचार का स्वागत करता है।

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्यौरा, पासवर्ड आदि नहीं माँगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।  
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instructions contained in circulars UBD.BR.Cir.19/16.26.00/2001-02 dated October 22, 2001 and [UBD.\(PCB\).CO.BPD.Cir.28/16.26.00/2008-09 dated November 26, 2008](#). However, term deposits held by Primary (Urban) Co-operative Banks with Public Sector Banks will also be eligible for being reckoned for SLR purpose in the interim period, upto March 31, 2015.

3. It may be noted that balances kept with State Co-operative Banks / District Central Co-operative Banks as also term deposits with public sector banks will not be eligible for being reckoned for SLR purpose w.e.f April 1, 2015.

4. The copies of relative notifications UBD.BPD.(PCB).Not.No.1/16.26.000 /2013-14 dated June 5, 2014 and UBD.BPD.(PCB).Not. No. 2 /16.26.000/2013-14 dated June 5, 2014 are enclosed.

Yours faithfully,

(A.K.Bera)  
Principal Chief General Manager

Encl: As above.



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UBD.BPD.(PCB).Not. No. 1 /16.26.000/2013-14

June 5, 2014

**NOTIFICATION**

In exercise of the powers conferred by sub-section (1) of section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof, the Reserve Bank, having regard to the needs for securing monetary stability in India, hereby specifies that the Cash Reserve Ratio (CRR) required to be maintained by every primary (urban) co-operative bank, whether a scheduled co-operative bank or not, shall be 4 per cent of the total of demand and time liabilities, from the fortnight beginning from July 12, 2014.

(N.S.Vishwanathan)  
Executive Director

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**हिंदी आसान है, इसका प्रयोग बढ़ाइए।**

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UBD.BPD.(PCB).Not. No. 2 /16.26.000/2013-14

June 5, 2014

**NOTIFICATION**

In exercise of the powers conferred by sub-section (2A) of section 24 of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof, the Reserve Bank hereby specifies that every primary (urban) co-operative bank shall continue to maintain in India assets as detailed below, the value of which shall not, at the close of business on any day, be less than 22.50 per cent of the total of demand and time liabilities in India as on the last Friday of the second preceding fortnight, from the fortnight beginning from July 12, 2014, valued in accordance with the method of valuation specified by the Reserve Bank from time to time.

- (a) Cash, or
- (b) Gold valued at a price not exceeding the current market price, or
- (c) Unencumbered investment in approved securities as defined in section 5(a) of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof.

2. Notwithstanding anything contained hereinabove, -

- (i) Unencumbered balances maintained by a primary co-operative bank with the central co-operative bank of the district concerned or with the State co-operative bank of the State concerned, in excess of the balance required to be maintained by it under section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof; or

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- (ii) unencumbered term deposits held by a primary co-operative bank with State Bank of India or a subsidiary bank or a corresponding new bank or IDBI Bank Ltd.

shall also be deemed to be assets for the purpose of calculating the percentage specified under this notification, till March 31, 2015.

**Explanation:**

- A. "Unencumbered investment" of a primary co-operative bank shall include its investment in the approved securities lodged with another institution for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of.
- B. "Term deposit" shall mean a deposit which is withdrawable after the expiry of a fixed period and includes deposits such as recurring deposit, cumulative deposit, annuity deposit, reinvestment deposit and cash certificate.
- C. In computing the amount for the above purpose, the following shall be deemed to be cash maintained in India:
  - (i) Any balances maintained by a primary co-operative bank, which is a scheduled bank, with the Reserve Bank in excess of the balance required to be maintained by it under section 42 of the Reserve Bank of India Act, 1934 (2 of 1934); and
  - (ii) Any balances maintained by a primary co-operative bank, not being a scheduled bank, with the Reserve Bank in excess of the balance required to be maintained by it under section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof; and
  - (iii) "Net balances in current accounts" as defined in the Explanation to sub-section (1) of section 18 of the Banking Regulation Act, 1949 (10 of 1949) read with section 56 thereof, in excess of the balance required to be maintained by it under the said section.

(N.S.Vishwanathan)  
Executive Director