



# RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2004/255

DBOD.No.Ret.BC. 98 / 12.01.001 / 2003-04

June 18, 2004

To All Scheduled Commercial Banks ( Excluding RRBs & LABs )

Dear Sir,

**Section 42 of the RBI Act, 1934 – Revision of procedure for payment of interest on the eligible CRR balances on monthly basis**

Please refer to paragraph 3 of our circular DBOD.Ret.BC.No.79 / 12.01.001 / 2002-03 dated March 7, 2003 in terms of which Scheduled Commercial Banks are required to submit their claim statement for payment of interest on eligible CRR balances in a prescribed format. The claim statement is in addition to the submission of prescribed statutory return in Form 'A'.

2. On a review of the procedures, it has been decided that the banks need not submit claim statement to RBI for receipt of interest on eligible CRR balances maintained by them. Banks will be paid interest on eligible CRR balances based on the final Form 'A' submitted by them and the average daily balances maintained by them in Current Account with RBI. Accordingly, the first such payment of interest, without calling for the claim statement, for the fortnights ending in the month of July 2004 will be made in the month of August 2004.

3. In order to enable RBI to make payment of interest on eligible CRR balance without any delay, banks should submit Final Form 'A' in new software to the Central Office of Department of Banking Operations and Development, Mumbai, within 20 days after the date to which it relates, as laid down in Section 42(2) of RBI Act, 1934, by e-mail on the address "[returnsco@rbi.org.in](mailto:returnsco@rbi.org.in)". Banks may continue to submit hard copies of Form 'A' as hitherto.

Yours faithfully,

Sd/-  
( **D. Mishra** )  
General Manager

