

RBI/2008-09/297
UBD (PCB) CO BPD Cir No: 28 /16.26.00/2008-09

November 26, 2008

**Chief Executive Officer of
All Primary (urban) Cooperative Banks**

Dear Sir/Madam,

**Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) Section 24-
Investment in Government and other approved securities by
Urban Co-operative Banks (UCBs)**

Please refer to our circular UBD.BR.Cir.19/16.26.00/2001-02 dated October 22, 2001 on the captioned subject.

2. On a review, it has been decided to increase the proportion of SLR holdings in the form of government and other approved securities as percentage of NDTL in the following manner, which should be achieved by non-scheduled urban co-operative banks by end-March 2011.

(i) Non-scheduled UCBs in Tier I shall maintain SLR in the form of Government and other approved securities not less than 7.5 per cent of their NDTL by September 30, 2009 and 15 per cent of their NDTL by March 31, 2010.

(ii) The current prescription of holding SLR in Government and other approved securities not less than 15 per cent of their NDTL in respect of non-scheduled UCBs in Tier-II shall continue up to March 31, 2010.

3. From March 31, 2011 onwards all non-scheduled UCBs shall be required to maintain SLR in Government and other approved securities up to 25 per cent of their NDTL.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

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