



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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October 29, 2014

The Chief Executive Officers of
All Scheduled Primary (Urban) Co-operative Banks

Dear Sir / Madam,

**Fourth Bi-monthly Monetary Policy for 2014-15
Introduction of Liquidity Adjustment Facility (LAF) for Scheduled Urban
Cooperative Banks**

Please refer to para 24 of Fourth Bi-Monthly Monetary Policy Statement 2014-15 (extract appended) by Reserve Bank of India on September 30, 2014 on the captioned subject.

2. In order to provide an additional avenue for liquidity management to Scheduled Urban Co-operative Banks (UCBs), it has been decided that, with effect from November 28, 2014, Liquidity Adjustment Facility (LAF) will be extended to Scheduled UCBs which are CBS enabled, have CRAR of at least 9 per cent and are fully compliant with the eligibility criteria prescribed for LAF. The terms and conditions for availing LAF including minimum bid size prescription etc would be as per the instructions issued by Financial Markets Department (FMD) of the Reserve Bank of India from time to time.

3. The names of UCBs which meet the eligibility norms to participate in LAF (Positive List) those of UCBs found ineligible (Negative List) will be communicated shortly to the FMD by Urban Banks Department (UBD) under intimation to the banks concerned.

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट 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 मांगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।
Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



4. The eligibility status of the banks in the Positive List will be reviewed on an ongoing basis to ensure that the financial parameters are being complied with at all times. However, additions to the Positive List will be considered annually around the first week of January based on the financial position for the immediate preceding financial year as assessed by the Reserve Bank's Inspection.

Yours faithfully,

(Suma Varma)
Chief General Manager

Fourth Bi-monthly Monetary Policy for 2014-15 (para 24)

24. As part of the Reserve Bank's continuous engagement in broadening and deepening financial markets, it has been decided to:

- allow access to the liquidity adjustment facility (LAF) to scheduled urban co-operative banks (UCBs) in order to provide them an additional avenue for liquidity management, provided they fully comply with the eligible criteria prescribed for participation in the LAF including having current accounts and SGL accounts with Reserve Bank, Mumbai, the minimum bid size prescription and the like.

Detailed guidelines will be issued separately by mid-October 2014.