



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2009-10/210

UBD (PCB) Cir. No.1/12.03.003/2009-10

November 09, 2009

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

Dear Sir/ Madam,

Maintenance of Cash Reserve Ratio (CRR) on Exempted Categories

Please refer to our circular UBD (PCB) Cir. No. 6/12.03.000/2006-07 dated April 25,, 2007 and the Master Circular [UBD.CO.BSD.NSB 1/Ret/MC.No.15/12.03.000/2009-10](http://www.rbi.org.in/UBD.CO.BSD.NSB%201/Ret/MC.No.15/12.03.000/2009-10) dated July 1, 2009 on the captioned subject..

2. As announced in the Second Quarter Review of Monetary Policy 2009-10 released on October 27, 2009, it has been decided that liabilities of scheduled Primary (Urban) Co-operative Banks arising out of transactions in Collaterised Borrowing and Lending Obligations (CBLO) with Clearing Corporation of India Ltd. (CCIL) shall be subject to maintenance of CRR with effect from the fortnight beginning November 21, 2009. Accordingly, net demand and time liabilities (NDTL) reckoned for CRR shall include liabilities arising out of CBLO transactions for the reporting Friday of November 6, 2009 which forms the base for computation of CRR for the fortnight beginning November 21, 2009. For the subsequent fortnights, NDTL reckoned for CRR maintenance will continue to include liabilities arising out of CBLO transactions.

CENTRAL OFFICE, URBAN BANKS DEPARTMENT, 1ST FLOOR, GARMENT HOUSE, WORLI,
MUMBAI - 400 018

केंद्रीय कार्यालय शरी बैंक विभाग गारमेंट हऊस, पली मंजिल वरली, मुंबई - 400 018

Telephone:022-24939930-49/ Fax:022-24974030/e-mail:rbiubdco@rbi.org.in

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3. Accordingly, with effect from fortnight beginning November 21, 2009, only following liabilities would be exempted for computation of NDTL under section 42 (1) of Reserve Bank of India Act, 1934.

(i) Liabilities to the banking system as computed under Clause (d) of the explanation to section 42(1) of Reserve Bank of India Act, 1934.

(ii) Credit balances in ACU (US\$) accounts.

Yours faithfully,

(A. K. Khound)
Chief General Manager