



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2013-14/631

RPCD.RCB.BC.No. 110 /07.51.020/2013-14

June 5, 2014

All State and Central Cooperative 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
StCBs and CCBs and Statutory Liquidity Ratio (SLR) for StCBs and CCBs**

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

2. Further, it has been decided to reduce the SLR for all State cooperative banks and Central cooperative banks by 250 basis points from 25.00 per cent to 22.50 per cent of their total net demand and time liabilities with effect from the fortnight beginning July 12, 2014. StCBs and CCBs not maintaining SLR in the form and manner specified in the Notification RPCD.RCB.BC.No.109 /07.51.020/2013-14 dated June 5, 2014 are given time upto March 31, 2015 to comply with instructions contained in the said Notification. In the interim period, StCBs and CCBs may continue to maintain SLR as per extant instructions. However, term deposits held by StCBs and CCBs with Public Sector Banks will also be eligible for being reckoned for SLR purpose in the interim period, upto March 31, 2015.

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चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

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3. It may be noted that balances kept with State 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 RPCD.RCB.BC.No.108 /07.51.020/2013-14 dated June 5, 2014 and RPCD.RCB.BC.No.109 /07.51.020/2013-14 dated June 5, 2014 are enclosed.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager
Encl. as above



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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 State co-operative bank and central co-operative bank, not being a scheduled co-operative bank, shall be 4 per cent of its total net demand and time liabilities, from the fortnight beginning from July 12, 2014.

(Dr. (Smt.) Deepali Pant Joshi)
Executive Director

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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 State co-operative bank and central 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 net 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 central co-operative bank 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;
- (ii) Any unencumbered balances maintained by a central cooperative bank with the State co-operative bank of the State concerned; and

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- (iii) Unencumbered term deposits held by a State co-operative bank or a central 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 State co-operative bank or a central 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. 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 State 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);
 - (ii) Any balances maintained by a State co-operative bank or central 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.

(Dr. (Smt.) Deepali Panti Joshi)
Executive Director