

Master Circular

Maintenance of Statutory Reserves

Cash Reserve Ratio (CRR)

&

Statutory Liquidity Ratio (SLR)
(Updated upto October 31, 2006)

(The Master Circular is also available at RBI website www.mastercirculars.rbi.org.in and may be downloaded from there)



RESERVE BANK OF INDIA

**Urban Banks Department,
Central Office,
Mumbai.**

RBI/2006-07/165
UBD CO Ret /MC No. 4082/12.03.000/2006-07

November 1, 2006

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

Dear Sir,

Master Circular Maintenance of Statutory Reserves

Cash Reserve Ratio (CRR) and

Statutory Liquidity Ratio (SLR)

The Reserve Bank of India has been periodically issuing instructions to primary (urban) co-operative banks (PCBs) regarding maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and matters related thereto. In order to enable the banks to have all the instructions at one place, a Master Circular incorporating all the currently operative instructions/guidelines on the subject up to October 31, 2006 has been prepared and is enclosed.

2. Please acknowledge receipt of this Master Circular to the Regional Office concerned of this Department.

Yours faithfully,

(N.S.Vishwanathan)
Chief General Manager-in-Charge

Master Circular
Maintenance of Statutory Reserves
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

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Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

1. GENERAL

- 1.1 All primary (urban) co-operative banks (PCBs) (scheduled as well as non-scheduled) are required to maintain stipulated level of cash reserve ratio (CRR) and statutory liquidity ratio (SLR).
- 1.2 In regard to cash reserve, the provisions of section 42(1) of the Reserve Bank of India Act, 1934, governs the scheduled PCBs whereas, non scheduled PCBs are governed by the provisions of section 18 read with section 56 of the Banking Regulation Act, 1949 (As applicable to co operative Societies) , hereinafter referred as Act.
- 1.3 The provisions of section 24 of the Act ibid govern maintenance of SLR for all the banks (scheduled as well as non-scheduled).
- 1.4 Currently operative instructions on all these aspects are detailed in the following paragraphs.

2. CASH RESERVES

2.1 (A) SCHEDULED PCBs - As per Reserve Bank of India Act.1934

2.1.1 *Statutory Minimum CRR*

In terms of section 42(1) of the Reserve Bank of India (RBI) Act, 1934, the scheduled PCBs were required to maintain with the RBI during the fortnight, a minimum average daily balance of 3% of their total demand and time liabilities (DTL) in India obtaining on the last Friday of the second preceding fortnight.

2.1.2 *Additional CRR*

- (i) In term of the proviso to sub-section (1) of section 42 of the RBI Act 1934, RBI is empowered to increase, through Gazette notification, the said rate up to 15% of the DTL.
- (ii) Presently, scheduled PCBs are required to maintain with RBI an average daily balance, the amount of which shall not be less than 5% of its net demand and time liabilities (NDTL) in India, as shown in the return referred in sub-section (2) of section 42 of the Act, ibid.

2.1.3 *Incremental CRR*

- (i) In terms of section 42(1) A of the RBI Act 1934, the Reserve Bank is also empowered to prescribe, through Gazette notification, maintenance of an additional average daily balance, at a rate and from a date specified in the notification, so that the additional balance is calculated with reference to the excess of DTL of the bank over the similar total on the specified date.
- (ii) Currently RBI has not prescribed any incremental CRR.

2.1 (B) Section 42 (1) of Reserve Bank of India Act, 1934 – Maintenance of CRR (Amendment)

(i) The Reserve Bank of India (Amendment) Bill, 2006 has been enacted and has come into force with effect from June 22, 2006, with its notification in the Gazette. Consequent upon the amendment to sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934, the Reserve Bank having regard to the needs of securing the monetary stability in the country, can prescribe the Cash Reserve Ratio (CRR) for scheduled banks without any floor rate or ceiling rate. The statutory minimum CRR requirement of 3 per cent of total demand and time liabilities no longer exists with effect from June 22, 2006. In exercise of the powers conferred on Reserve Bank of India, it has been decided to continue the *status quo* on the rate of CRR to be maintained by Scheduled Primary (Urban) Co-operative Banks and the extant exemptions, which will be operative till further changes are notified. Accordingly, Scheduled Primary Urban Co operative Banks shall continue to maintain CRR of 5 per cent of their total demand and time liabilities, subject to the exemptions as indicated in our circular UBD. PCB.Cir.No.60/16.26.000/2005-06 dated June 22,2006.

(ii). Further, as part of the amendments carried out to Reserve Bank of India Act, 1934, sub-section (1B) of Section 42 of the Act has been omitted. Accordingly, the Reserve Bank will not be paying any interest on the CRR balances maintained by Scheduled Urban Co operative Banks with effect from the fortnight beginning June 24, 2006.

2.1.4 Multiple Prescriptions for CRR

- (i) For the purpose of maintenance of CRR and SLR the Reserve Bank may specify from time to time with reference to any transaction or class of transactions that such transaction or transactions shall be treated as liability in India of a scheduled PCB.
- (ii) With a view to facilitating the development of a more realistic rupee yield curve and term money market, the liabilities of scheduled PCBs to the Banking System as computed under clause (d) of explanation to section 42(1) of the RBI Act, 1934, are exempted from maintenance of CRR with effect from the fortnight beginning April 26, 1997. Effective from the fortnight beginning June 14 2003, the scheduled PCBs were required to maintain a CRR of 4.5% of the NDTL.. The CRR of Scheduled Primary (Urban) Coop. Banks was again increased by one half of one percent point of their Net Demand & Time Liabilities (NDTL) in two stages, effective from the fortnight beginning from September 18, 2004, i.e. 4.75% of NDTL and from October 2, 2004,i.e. 5% of NDTL.
- (iii) In order to provide flexibility to banks and enable them to choose an optimum strategy of holding reserves depending upon their intra period cash flows, the scheduled PCBs are presently required to maintain on average daily balance, a minimum of 70% of the prescribed CRR balance based on their NDTL, as on the last Friday of the second preceding fortnight.

2.1.5 Withdrawal of exemptions on liabilities

With effect from the fortnight beginning November 3, 2001, all the exemptions on liabilities viz. NRE, NRNR and FCNR (B) accounts stand withdrawn, except exemption granted for inter-bank liabilities for computation of NDTL

(for requirement of maintenance of CRR) as indicated in para 2.1.4 (ii) above.

However, the effective CRR maintained by the scheduled banks on the total DTL shall not be less than 3% as stipulated under the Act. With effect from June 22, 2006, Schedule primary Urban Cooperative Banks shall continue to maintain CRR not less than as stipulated by Reserve Bank of India i.e. 5% at present.

2.1.6 **Treatment of Collateralised Borrowing and Lending Obligation**

The Clearing Corporation of India Ltd. (CCIL) has introduced, a money market instrument, called Collateralised Borrowing and Lending Obligation (CBLO). Since CCIL is considered as a non-bank institution, borrowing bank should classify its borrowing under CBLO as "Liability in India to Others" which qualify for reserve requirements. Accordingly, scheduled PCBs are required to include in their NDTL the borrowing under CBLO. However, in order to develop CBLO as a money market instrument, it has been decided to grant special exemption from CRR prescription, subject to the banks maintaining statutory minimum CRR of 3%. With effect from June 22, 2006, Schedule primary Urban Cooperative Banks shall continue to maintain CRR not less than as stipulated by Reserve Bank of India i.e. 5% at present

2.1.7 **Computation of Net Demand & Time Liabilities (NDTL) for CRR**

- (i) Liabilities of a bank may be in the form of demand or time deposits or borrowings or other miscellaneous items of liabilities. "Demand Liabilities" include all liabilities which are payable on demand. "Time Liabilities" are those which are payable otherwise than on demand.
- (ii) The computation of DTL, liabilities to the banking system, and assets with the banking system, NDTL etc. are explained in detail in Annex I.

2.1.8 **Calculation of CRR**

In order to improve the cash management by banks, as a measure of simplification, a lag of two weeks has been introduced in the maintenance of stipulated CRR by the scheduled banks. Thus, with effect from the fortnight beginning from November 6, 1999, the prescribed CRR during a fortnight has to be maintained by every bank based on its NDTL as on the last Friday of the second preceding fortnight i.e. based on the NDTL as on reporting Friday, October 22, 1999 and so on.

2.1.9 **Maintenance of Cash Balances**

- (i) Every scheduled bank is required to maintain a Principal Account with the Deposit Accounts Department (DAD) of the Reserve Bank of India at the centre where the principal office of the bank is located. The account with the Reserve Bank is intended for maintenance of Bank's statutory deposit and operations thereon should be confined to inter-bank transactions and for payment to the Reserve Bank and Government Departments. No cheques should be issued in favour of third parties such as private individuals, firms, etc.
- (ii) If a scheduled bank has no office or branch at any place where the RBI has an office of its Banking Department, it may be allowed to keep an account with any Issue Department of the RBI as the RBI may, in its discretion, permit in this behalf, but such account shall be limited to the following transactions:
 - (a) the adjustment of credits and debits with the Bank;
 - (b) Remittances to and from other offices of the Banking Department

or branches of the Issue Department at which the said Scheduled bank maintains an account;

- (c) the adjustment of credits and debits with the local branch of the State Bank.

2.1.10 **Interest on Eligible CRR Balances**

- (i) With effect from fortnight beginning November 3, 2001, scheduled banks are being paid interest at the Bank Rate (presently 6.0%) under section 42 (1B) of the RBI Act, 1934 on all eligible cash balances maintained with by the banks u/s 42(1)& 42(1A) of the act ibid with RBI. The eligible cash balances are the cash balances maintained in excess of the statutory minimum prescription of 3 percent of NDTL excluding shortfall, if any. With effect from the fortnight ending April 2003, the interest was to be paid on a monthly basis.
- (ii) With effect from fortnight beginning September 18, 2004, the interest on cash balances maintained with Reserve Bank of India under Cash Reserve Ratio was to be paid at the rate of 3.5 per cent per annum on eligible cash balances.
- (iii) As part of the amendments carried out to Reserve Bank of India Act, 1934, sub-section (1B) of Section 42 of the Act has been omitted. Accordingly, the Reserve Bank will not be paying any interest on the CRR balances maintained by Scheduled Urban Co operative Banks with effect from the fortnight beginning June 24, 2006.

2.1.11 **Reporting Requirements**

- (i) In terms of section 42(2) of the RBI Act, 1934, every scheduled bank is required to send to the Reserve Bank, a return in Form B (*Annex 2*), at the close of business on each alternate Friday within seven days after the date to which it relates, duly signed by two responsible officers of bank, containing the information relating to the following:
 - (a) the amount of its demand and time Liabilities and amount of its borrowings from banks in India, classifying them into demand and time liabilities,
 - (aa) [Omitted by Act 51 of 1974,S.11]
 - (c) the total amount of legal tender notes and coins held by it
 - in India
 - (d) the balances held by it at the bank in India.
 - (e) the balances held by it at other banks in current account and the money at call and short notice in India.

- (f) the investments (at book value) in Central and State Government Securities including treasury deposit receipts,
- (g) the amount of advances in India,
- (h) the inland bills purchased and discounted in India and foreign bills purchased and discounted.

(at the close of business on each alternate Friday and every such return shall be sent not later than seven days after the date to which it relates)

- (ii) Where such alternate Friday is a public holiday under the Negotiable Instruments Act, 1881, for one or more offices of the bank, the return should give the preceding day's figures in respect of such office or offices, but should nevertheless be deemed to relate to that Friday.
- (iii) Where the last Friday of a month is not an alternate Friday for the purpose of the above return, the banks should send to RBI, a special return in Form B giving the same details as specified above as at the close of business on such last Friday or where such last Friday is a public holiday under the Negotiable Instruments Act, 1881, as at the close of business on the preceding working day and such return should also be submitted within seven days after the date to which it relates.
- (iv) Banks are required to calculate the proportion of their savings bank deposits as at the close of business on the 31st March and 30th September, into demand and time liabilities in terms of Regulation 7 of the RBI Act, Scheduled Bank's Regulations, 1951 and report in the prescribed form given in *Annex 2*.
- (v) Whenever there are wide variations between the sources and uses of funds as being reported in the fortnightly return and the variations exceed 20%, the banks concerned should advise the reasons for such wide variations in the return.
- (vi) In terms of Regulation 5(1)(c) of the Scheduled Banks' Regulations, the banks are required to furnish a list of the names, the official designations and specimen signatures of the officers of the bank who are authorised to sign on behalf of the bank returns prescribed under Section 42(2) of the Act, of whom only two may sign such return. The bank has to submit to RBI fresh set of signatures whenever there is change in the incumbency. The banks should forward to RBI the specimen signatures of officials (restricted to four) who are authorised to sign the periodical statements of interest claims on CRR balances in the proforma given in *Annex 3*. The official whose signature is already on RBI record should attest these signatures.

2.1.12 **Penalty**

2.1.13 **Penalty for Non submission/delayed submission of return:** Failure to submit the return/late submission of the return attracts the provisions of section 42 (4) of RBI Act, 1934 and the banks are liable for imposition of penalties as indicated therein.

2.1.14 **Penalty on default in maintenance of required CRR:**

(a) Consequent to Amendment to RBI Act. 1934, paragraph 2.1.10 (iii) above, from the fortnight beginning June 24,2006, the penal interest will be charge as under.

i) In case of default in maintenance of CRR requirement on daily basis, which is presently 70% of the total Cash Reserve Ratio requirement, penal interest will be recovered for that day at the rate of three per cent per annum above the bank rate on the amount by which the amount actually maintained falls short of the prescribed minimum on that day and if short fall continues on the next succeeding days, penal interest will be recovered at a rate of five per cent per annum above the bank rate.

ii) In case of default in maintenance of CRR on average basis during a fortnight, penal interest will be recovered as envisaged in sub-section (3) of Section 42 of Reserve Bank of India Act. 1934.

2.2 Non-Scheduled PCBs

2.2.1 Cash Reserve Ratio (CRR)

- (i) In terms of section 18 of the Banking Regulation Act 1949 (AACS), every PCB (not being a scheduled bank) is required to maintain on daily basis a cash reserve, an amount not less than 3% of its DTL as obtaining on the last Friday of the second preceding fortnight. This balance may be maintained by way of cash resources with itself or by way of balance in a current account with the Reserve Bank or the State Co operative Bank of the State concerned or by way of net balance in current accounts or with the Central Co operative Bank of the district concerned or in one or more of the aforesaid ways.
- (ii) For the purpose of computation of liabilities, the liabilities of PCBs to the Banking System as computed under clause (d) of explanation to section 18(1) of the BR Act, 1949 (AACS) are to be reduced from the total demand and time liabilities.
- (iii) In terms of section 18 (2) of the B.R. Act, 1949 (AACS), the Reserve Bank is empowered to specify from time to time, with reference to any transactions or class of transactions, which shall be treated as liability in India of a PCB.

2.2.2 Computation of Net Demand & Time Liabilities for CRR

The procedure followed for working out net inter-bank liabilities for the purpose of CRR should be in accordance with clause (d) of explanation to section 18(1) of the B.R. Act, 1949 (AACS).The amount of net inter-bank liabilities is to be calculated after reducing 'assets with banking system' from 'liabilities to the banking system'. If it is a positive figure, it should be added to 'liabilities to others' to arrive at total net demand and time liabilities. If it is a negative figure, net inter-bank liabilities would be considered as zero and 'liabilities to others' would be considered as total net demand and time liabilities. For the purpose of working out liabilities, subject to a prescribed CRR if net inter-bank liabilities are positive it should be deducted from total net demand and time liabilities. However, for the purpose of working out minimum CRR of 3% on total net demand and time liabilities net inter-bank liabilities should also be included. The computation of DTL, liabilities to the banking system, assets with the banking system, and net demand and time liabilities, etc. are explained in detail in *Annex 4*.

2.2.3 Maintenance of Cash Balances

- (i) The obligation to maintain the required percentage of cash reserve of the DTL arises on each day of a fortnight commencing from Saturday

and ending with the second following Friday.

- (ii) The compliance with the obligation is monitored ordinarily with reference to the position of DTL and amount of CRR as on the relevant alternate Friday.

2.2.4 Reporting Requirements

- (i) Non-scheduled banks are required to submit a Return in Form I, as per proforma given in *Annex 5*, to the concerned Regional Office not later than 20 days after the end of the month to which it relates showing the position, inter alia, of cash reserve maintained by the banks under section 18 of the B.R. Act, 1949 (AACS) as at the close of business on each alternate Friday during the month, with particulars of its DTL in India on such Fridays or if any such Friday is a public holiday under the Negotiable Instruments Act, 1881, at the close of business on the preceding working day.
- (ii) Non-scheduled banks are required to furnish in Appendix I, as per proforma given in *Annex 6*, along with the Return in Form I showing the position of the -
 - (a) cash reserve required to be maintained under section 18 of the act, *ibid*.
 - (b) cash reserve actually maintained, and the
 - (c) extent of deficit/surplus for each day of the month.

2.2.5 Penalty

Non-scheduled banks should ensure to maintain the required cash reserve and submit the prescribed return along with Appendix I within the stipulated time to the concerned Regional Offices. Failure to submit the return in time attracts the provisions of section 46(4) of the Act *ibid*, and the banks are liable to imposition of penalties as indicated therein. The banks should, therefore, in their own interest ensure that the stipulations of the section 18 referred to above are strictly adhered to.

3. STATUTORY LIQUIDITY RESERVES

3.1 Statutory Liquidity Ratio (SLR)

In terms of section 24(2A)(a) of the B.R. Act, 1949 (AACS), every bank (scheduled and non-scheduled), is required to maintain, on daily basis, liquid assets, the amount of which shall not be less than 25% or such other percentage not exceeding 40%, as may be notified by RBI, of its demand and time liabilities in India as on the last Friday of the second preceding fortnight.

3.2 Current Prescription for SLR

Presently the banks are required to maintain a uniform SLR of 25% on their total DTL in India.

3.3 Calculation of SLR

- 3.3.1 The obligation to maintain the required liquid assets arises on each day of a fortnight commencing from Saturday, and ending with the second following Friday.
- 3.3.2 The compliance with this obligation is monitored ordinarily with reference to the position of the SLR as on the relevant alternate Friday as shown in the

return in Form I.

- 3.3.3 Banks are also required to maintain SLR on borrowing through CBLO. However, securities lodged in the Gilt Account of the bank maintained with CCIL under CSGL facilities remaining unencumbered at the end of any day can be reckoned for SLR purposes by the concerned bank. For this purpose, CCIL will provide a daily statement to banks/RBI listing the securities lodged/utilized/remaining unencumbered.

3.4 **Manner of Maintaining Statutory Liquidity Reserves**

- 3.4.1 The liquid assets may be maintained -

- (i) in cash, or
- (ii) in gold valued at a price not exceeding the current market price, or
- (iii) in unencumbered approved securities valued at a price determined in accordance with such one or more of, or combination of the methods of valuation, namely, valuation with reference to cost price, market price, book value or face value, as may be specified by the Reserve Bank of India from time to time.

- 3.4.2 The following shall be deemed to be “cash maintained in India”:

- (i) any excess balance maintained, by a scheduled PCB, with RBI over and above CRR requirement, and
- (ii) any cash or balances maintained in India by a co-operative bank, other than a scheduled bank, with itself or with the state co-operative bank of the state concerned, or in the current account with Reserve Bank or by way of net balance in the current accounts and, in the case of a primary co-operative bank, also any balances maintained with central co-operative bank of the district concerned, in excess of the cash or balances required to be maintained under section 18 of net balances in current accounts.

- 3.4.3 Legally speaking, the banks may invest in gold (including gold ornaments) to maintain liquid assets. However, such investments are of unproductive nature and yield no income, except price increase, which is subject to speculative forces. Keeping these aspects in view as well as the difficulties involved in valuation, safekeeping, etc., the bank should not invest in gold to maintain liquid assets for SLR purposes.

3.4.4 **Explanations / Requirements regarding Approved Securities**

- (i) In terms of section 5(a) of BR Act, 1949 (AACS) approved securities for the purpose of section 24 of BR Act, 1949 (AACS) means securities in which a trustee may invest money under clause (a), (b), (bb), (c) or (d) of section 20 of the Indian Trusts Act, 1882 and;

- (ii) Such of the securities authorised by the Central Government under clause (f) of section 20 of the Indian Trust Act, 1882.

It may, however, be noted that all securities under section 20 of the Indian Trusts Act, 1882 cannot be considered as approved securities for the purpose of section 24 of the act *ibid*. Approved securities should be such trustee securities, which have been specified as eligible securities for the purpose of section 24, *ibid* by Reserve Bank. In case of any doubt regarding the

classification of a security for the purpose of section 24, the banks may seek clarifications from Reserve Bank.

(iii) Banks may reckon their reserve fund investments in fixed deposits, or the investments in approved securities as SLR assets provided they are unencumbered.

(iv) Unencumbered approved securities include such 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.

(v) Unencumbered deposits with state/district central co-operative bank of the state/district concerned:

(a) Wherever a district is served by more than one central co-operative bank, the area of operations of each central co-operative bank within the district is quite distinct and separate as per the provisions of the by-laws of the concerned central co-operative bank. The primary cooperative banks operating in the area of the concerned central co-operative bank in the district will be normally affiliated to that central co-operative bank. Therefore, the concerned central co-operative bank in the district to which the primary co-operative bank is affiliated, or in whose area the primary co-operative bank has its registered office, will be the central cooperative bank of the district concerned for the purposes of Sections 18 & 24 of the B.R. Act, 1949.

(b) Where a primary co-operative bank operates beyond such area, by opening branches in areas served by other central co-operative banks in the district, it can treat its balances with latter also as cash reserve or liquid assets, as the case may be.

3.5 Minimum SLR holding in Government Securities:

3.5.1 At present, the primary (urban) co-operative banks are required to invest in government and other approved securities as indicated below:

Sr. No.	Category of banks	Minimum SLR holding in Government and other approved securities as percentage of Net Demand and Time Liabilities (NDTL)
1.	Scheduled banks	25%
2.	Non-Scheduled banks	
	a) With NDTL of Rs. 25 crore & above	15%
	b) With NDTL of less than Rs. 25 crore	10%
	c) Unit bank/ multiple branch within a single district with deposit base upto Rs. 10 cr.	w.e.f.17.2.06 exempted up to the ceiling kept with interest bearing deposits with SBI, Public Sector banks and IDBI Ltd.(upto March 31,2008)

3.5.2 All the PCBs are required to maintain investments in government securities only in SGL Accounts with Reserve Bank or in Constituent SGL Accounts of scheduled commercial banks, Primary Dealers (PDs), State Co-op. Banks, and Stock Holding

Corporation of India Ltd. or in the dematerialised accounts with depositories such as National Securities Depositories Ltd (NSDL), Central Depository Services Ltd., (CDSL) and National Securities Clearing Corporation Ltd. (NSCCL).

- 3.5.3 The banks achieving the Rs.25 crore NDTL level or getting scheduled bank status, would be required to achieve the applicable level of investments in Government/other approved securities within a period of three months from the date of the said achievement.
- 3.5.4 Exemption under Section 24A – upto March 31,2008 -Considering the difficulties faced by the UCBs in making investment in Govt. Securities it was decided that limited exemption from the requirements could be granted to a class of UCBs. Accordingly, the non-scheduled primary (urban) Co operative banks having single branch-cum-head office or having multiple branches within a single district, having a deposits base of Rs. 100 crore or less would be exempted from maintaining SLR in prescribed assets upto 15 per cent of their DTL on keeping the required amount, in interest bearing deposits, with State Bank of India and its subsidiary banks and the public sector banks including Industrial Development Bank of India Ltd. For the purpose of eligibility for exemption, deposit base of UCBs will be determined on the basis of fortnightly average of DTL in the immediate preceding financial year. The exemption was available from February 17, 2006 in respect of above categories of UCBs and will be in force up to March 31,2008. During this period UCBs should build up adequate infrastructure, risk management practices including human resource and technological up-gradation so as to reduce market related risk.

3.6 Valuation of Securities for SLR

- 3.6.1 The entire investment portfolio of the banks should be classified under three categories viz 'Held to Maturity (HTM)'; 'Available for Sale' (AFS) and 'Held for Trading (HFT).
- 3.6.2 Investments classified under 'Held to Maturity' category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortised over the period remaining to maturity.
- 3.6.3 Individual scrip in the 'Available for Sale' category will be marked to market at the year-end or at more frequent intervals. While the net depreciation under each classification should be recognised and fully provided for, the net appreciation should be ignored. The book value of the individual securities would not undergo any change after the revaluation.
- 3.6.4 Individual scrip in the "Held for Trading" category will be marked to market at monthly or at more frequent intervals, the book value of individual securities in this category would not undergo any change after marking to market i.e. while the net depreciation in the value of investments, if any, shall be provided for, net appreciation, if any, should be ignored. Net depreciation required to be provided for any one category should not be netted with net appreciation in any other category.
- 3.6.5 Book value of eligible securities in the investment portfolio, after adjustment of provision held for depreciation in the value of investments should be reckoned for the purpose while furnishing data to the concerned Regional Office of Urban Banks Department. A format for reporting the data is given in Annex 7. Information in the format may be furnished as an Annex, to return in Form I, only to the concerned Regional Office of this department with effect from 2003. The monthly return should contain information of the fortnights following in the respective months.

3.6.6 (i) Scheduled UCBs:

Scheduled UCBs may crystallize the provisioning requirement

arising on account of shifting of securities from HFT / AFS categories to the HTM category consequent to the issue of our guidelines dated 2.09.2004 and amortize the same over a maximum period of five years commencing from the accounting year ended 31.03.2005 with a minimum of 20% of such amount every year.

Investment portfolio-Classification and valuation of Investments: banks are permitted on an on going basis to exceed the limit of 25 per cent of their total investments under HTM category provided,

a) the excess comprised only of SLR securities.

b) The total SLR securities held in HTM category is not more than 25 per cent of their NDTL as on last Friday of the second preceding fortnight.

that as a special case, the banks were also given permission to shift securities from and to HTM once more on or before March 31,2006.

(ii) Non Scheduled UCBs :

Shifting of securities from HFT / AFS categories to the HTM category by Non Scheduled UCBs consequent to issue of our circular dated 2.09.2004 may be done at book value, subject to the following conditions:

- a. In case the book value is higher than the face value, the difference between the book value and the face value i.e the premium may be amortized in equal instalments over the period remaining to maturity. If the security was obtained at a discount to face value, the difference should be booked as profit only at the time of maturity of the security.
- b. The securities transferred under this special dispensation should be kept separately under the HTM category. and should not be transferred back to the AFS / HFT category in future as per the existing instructions of transfer of securities from HTM category.
- c. In normal course such securities under HTM should not be sold in the market and are also to be redeemed on maturity only. However, in case of exceptional circumstances if such securities are to be sold, the profit on sale of investments in this category should be first taken to the Profit & Loss Account and thereafter be appropriated to the 'Capital Reserve'. Loss on sale will be recognized in the Profit & Loss Account in the year of sale.
- d. The banks are advised to build up sufficient provisions and should adhere to extant investment norms for UCBs without any relaxations by 31.03.2009.

The above relaxation is a one time measure for the accounting year

ending 31.03.2005 and for all future fresh investments made on or after 01.04.2005, the existing guidelines would continue to be followed. Also, the banks are not allowed to write back provisions already made on investments as on 31.03.2004.

3.7 **Computation of Net Demand & Time Liabilities for SLR**

- 3.7.1 The net liabilities to the 'Banking System' as computed under clause (d) of explanation to section 18(1) of the B.R.Act, 1949(AACS) are exempted from maintenance of SLR.
- 3.7.2 The procedure followed for working out net inter-bank liabilities for the purpose of SLR should be in accordance with clause (d) of explanation to section 18(1) of the BR Act, 1949(AACS) The procedure to compute total net demand and time liabilities for the purpose of SLR and minimum SLR of 25% under section 24(1) of BR Act, 1949 must be similar to procedure followed for CRR purposes as detailed in *Annex 4*.
- 3.7.3 In terms of clause (d) of explanation to section 18(1) of the BR Act, 1949 (AACS) the amount of net inter-bank liabilities is to be calculated after reducing 'assets with banking system' from 'liabilities to the banking system'. If it is a positive figure, it should be added to 'liabilities to others' to arrive at total net demand and time liabilities. If it is a negative figure, net inter-bank liabilities would be considered as zero and 'liabilities to others' would be considered as total net demand and time liabilities. For the purpose of working out liabilities, subject to a prescribed SLR under the law, if net inter-bank liabilities are positive it should be deducted from total net demand and time liabilities. However, for the purpose of working out minimum SLR of 25% on total net demand and time liabilities net inter-bank liabilities should also be included. The computation of demand and time liabilities, liabilities to the banking system, assets with the banking system, and net demand and time liabilities, etc. are explained in detail in *Annex 4*.

3.8 **Reporting Requirements**

- 3.8.1 All PCBs (scheduled and non-scheduled), are required to submit a return in Form I under section 24 of the Banking Regulation Act, 1949 (as applicable to co-operative societies) every month showing the position of liquid assets maintained under the said section as at the close of business on each alternate Friday during the month. The return should be submitted to the concerned Regional Office every month not later than 20 days after the end of the month to which the said return relates. Detailed guidelines for compilation are given in *Annex 5*.

[**Note:** In respect of Non-Scheduled Primary (Urban) Co-operative Banks, Return in Form I is common for reporting cash reserves and statutory liquid assets.]

- 3.8.2 With effect from the month of February 1994, all banks (scheduled and non-scheduled) are required to furnish Appendix II, as per proforma given in *Annex 8*, along with the Return in Form I showing the position of -
- (i) statutory liquid assets required to be maintained under Section 24 of the Act,
 - (ii) liquid assets actually maintained, and
 - (iii) the extent of deficit/surplus for each day of the month.

3.9 **Penal Provisions**

- 3.9.1 In terms of section 24(4)(a) of the BR Act, 1949, if on any alternate Friday or, if such Friday is a public holiday, on the preceding working day, the amount maintained by any bank at the close of business on that day falls below the minimum prescribed by or under clause 24(2A)(a), the bank shall be liable to

pay to the RBI in respect of that day's default, penal interest for that day at the rate of 3% per annum above the bank rate on the amount by which the amount actually maintained falls short of the prescribed minimum on that day.

- 3.9.2 Further, vide section 24(4)(b), if the default occurs again on the next succeeding alternate Friday, or, if such Friday is a public holiday, on the preceding working day, and continues on succeeding alternate Fridays or preceding working days, as the case may be, the rate of penal interest shall be increased to a rate of 5% per annum above the bank rate on each such shortfall in respect of that alternate Friday and each succeeding alternate Friday or preceding working day, if such Friday is a public holiday, on which the default continues.
- 3.9.3 Without prejudice to the provisions of section 24(4), on the failure of any bank to maintain on any day, the amount so required to be made by or under clause (a) of section 24(2A), the RBI under Section 24(5)(a) may, in respect of such default, require the concerned bank to pay penal interest for that day as provided in section 24(4)(a) and if the default continues on the next succeeding working day, the penal interest may be increased as provided in section 24(4)(b) for the concerned days.
- 3.9.4 Banks should invariably ensure to maintain the required SLR and submit the prescribed return along with Appendix II (Annex 8) within the stipulated time to concerned Regional Offices. Failure to submit the return in time will attract the provisions of section 46(4) of the Act *ibid.* and the banks will be liable to imposition of penalties as indicated therein.
- 3.9.5 Where it is observed that banks are persistently defaulting despite instructions and repeated advise, the Reserve Bank in addition to levy of penalty on such defaulting banks, may be constrained to consider cancelling the license in case of licensed banks and refuse license in case of unlicensed banks under section 22 of the Act, *ibid.* The banks should, therefore, in their own interest ensure maintenance of statutory liquidity ratio at prescribed rates and be very prompt in submission of Return in Form I, Form IX, Form 'B' to RBI offices.

4. **COMMON GUIDELINES**

4.1 **CRR/SLR REGISTER**

- 4.1.1 In order to monitor the day-to-day position of liquidity of the bank, all PCBs are required to maintain a register, as per format given in *Annex 9*, showing the daily position of cash reserve and liquid assets maintained under sections 18 and 24 of the B.R.Act, 1949 (AACS).
- 4.1.2 The work of maintaining the register on daily basis may be entrusted to a responsible official and it should be put up daily to the chief executive officer, who is responsible for ensuring compliance with the statutory liquidity requirements at the close of business every day.
- 4.1.3 To facilitate compilation of figures under various heads of the register, the explanations in respect of each item which form part of the Rules, as footnotes to form I are given in the *Annex 10*.

4.2 **Other Penal Provisions**

- 4.2.1 Apart from maintenance of CRR and SLR at the prescribed rates, banks are also required to submit relative statutory returns well in time to the concerned Regional Office of RBI. Any violation of these statutory requirements, apart from levy of penal interest would also attract penalties under Section 46(4), read with Section 56 of the

B.R. Act 1949.

- 4.2.2 Whenever any bank fails to maintain the requisite amount of Cash Reserve/Liquid Assets, it should explain the reasons for such default in the letter forwarding the return.

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

Computation of Demand & Time Liabilities for CRR

[Applicable to Scheduled Primary (Urban) Co-operative Banks]

[Vide para 2.1.7 (ii)]

1. **Definition of various terms**

(Vide Explanation to Section 18(1) read with Section 56 of the Banking Regulation Act, 1949)

(i) **“Average Daily Balance”**

(a) It shall mean the average of the balances held at the close of business on each day of a fortnight.

(ii) **“Fortnight”**

(a) It shall mean the period from Saturday to second following Friday, both days inclusive.

2. **‘Banking System’ comprises of -**

(i) State Bank of India

(ii) Subsidiary banks of State Bank of India

(iii) Nationalised Banks

(iv) Regional Rural Banks

(v) Banking Companies as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949. These include -

- Private Sector Banks
- Foreign Banks

Note: Foreign banks having no branch in India are not part of ‘banking system’.

(vi) Co-operative banks as defined in clause (cci) of Section 56 of the Banking Regulation Act, 1949.

Note: Co-operative Land Mortgage/Development Banks are not part of ‘banking system’.

(vii) Any other financial institution ‘notified’ by the Central Government in this behalf; presently

- Securities Trading Corporation of India (STCI)
- PNB Gilts Ltd.
- SBI Gilts Ltd.

- D F H I
- Gilts Securities Trading Corporation Ltd.
- ICICI Securities and Finance Co. Ltd.
- 'Banking System' does not include the following

- EXIM Bank
- NABARD
- SIDBI
- IFCI
- I I B I

3. **Liabilities do not include -**

- (i) Paid-up capital
- (ii) Reserves
- (iii) Credit balance in P&L account
- (iv) Loans from State Government, RBI, IDBI, EXIM Bank, NABARD, SIDBI, NHB, Reconstruction Bank, National Co-op. Development Corporation, or any advance taken from State Co-op. Bank of the State concerned or District Central Co-op. Bank of the district concerned as also any advance or credit arrangement drawn or availed of against approved securities.

5. **Net Liabilities**

While computing liabilities for the purpose of CRR and SLR, the **net liabilities** of the bank to other banks in India **in the 'banking system' shall be reckoned**, i.e., assets in India with other banks in the 'banking system' will be reduced from total liabilities to the 'banking system'.

6. **Liabilities to the 'Banking System' include -**

- (i) Deposits of the banks.
- (ii) Borrowings from Banks (Call Money/Notice deposits).
- (iii) Other miscellaneous items of liabilities to the banks like Participation Certificates issued to banks, interest accrued on bank deposits, etc.

7. **Classification of Liabilities to the 'Banking System'**

- (i) Liabilities of the bank to the 'banking system' are classified into two broad categories viz. 'Demand Liabilities' and 'Time Liabilities'.
- (ii) 'Demand Liabilities' to the 'banking system' are further classified as under:
 - (a) Balances in current accounts maintained with PCBs, by
 - SBI
 - SBI Subsidiary Banks
 - Nationalised Banks
 - (b) Other demand liabilities comprising of -
 - 1) Balances in current accounts maintained with PCBs by:
 - ◇ RRB
 - ◇ Banking Companies i.e. Private Sector Banks & Foreign Banks
 - ◇ Co-operative Banks
 - ◇ Other 'Notified' financial institutions, presently -

- STCI
 - D F H I
 - PNB Gilts Ltd.
 - SBI Gilts Ltd.
 - Gilt Securities Trading Corporation Ltd.
 - ICICI Securities and Finance Ltd.
- 2) Balances of overdue time deposits of above named banks.
- 3) Participation Certificates payable on demand issued to banks. Within the definition of 'banking system'
- 4) Interest accrued on deposits of banks (RRBs).*
- 5) Call Money Borrowings from the banks.
- (iii) Time liabilities to the 'banking system' include -
- (a) All types of time deposits from the banks
- (b) Certificates of deposits from the banks
- (c) Participation Certificates issued to banks which are not payable on demand Within the definition of 'banking system'
- (d) Interest accrued on time deposits/CDs of banks *
- * If it is not possible to classify/segregate this amount from interest accrued on deposits, the aggregate interest accrued may be shown under 'Other Demand and Time Liabilities'.

8. **Assets with the 'Banking System'**

- (i) Balances with 'banking system' in current accounts -
- (ii) Balances with the banks and notified financial institutions, within banking systems, in other accounts.
- (iii) Money at call and short notice upto 14 days lent to banks and notified financial institutions, within the banking system
- (iv) Loans, other than money at call and short notice, made available to the 'banking system'.
- (v) Any other amounts due from the 'banking system', like amount held by the bank with other banks (in transit or other accounts) under inter-bank remittance facility, etc.
9. (i) Lending by the banks to the following financial institutions in the term money market cannot be reckoned as assets with the 'Banking System'. Hence, these borrowings should not be netted against the liabilities towards the 'Banking System'.
- EXIM Bank
 - IFCI
 - NABARD
 - I IBI
 - SIDBI
- (ii) The borrowing of the bank other than refinance from these financial institutions should form part of liabilities to others and therefore, form part of net demand and time liabilities for the purpose of reserve requirements.

10. **Classification of Certain items under Liabilities**

(i) **Inter-Branch Accounts**

- (a) Net balance in inter-branch account, when in credit, is to be shown under 'Other Liabilities and Provisions' which is included in total Demand and Time Liabilities for CRR and SLR purpose.
- (b) After **27.07.98**, the bank should segregate the credit entries outstanding for more than five years in inter-branch account as 'Blocked Account' and show it under 'Others' under 'Other Liabilities and Provisions'. Thereafter, while arriving at net amount of inter-branch transactions for inclusion under 'Other Liabilities and Provisions' if in credit, or 'Other Assets' if in debit, the aggregate amount of 'Blocked Account' should be excluded and only the amount representing the remaining credit entries should be netted against debit entries. Thus, the balance in the 'Blocked Account' will be reckoned for the purpose of maintenance of CRR and SLR, even though the net of inter-branch entries is a debit balance.

(ii) **Margin Money on Bills Discounted/Purchased**

The bank should follow uniform procedure in treating margin money on bills purchased/discounted as outside liabilities and should include it in other demand and time liabilities for the purpose of maintenance of reserve requirements.

(iii) **Interest Accrued on Deposits**

- (a) The interest accrued on all deposit accounts (such as, savings, fixed, recurring, cash certificates, reinvestment plans, etc.), by whatever name called, should be treated by the bank as its liability for the purpose of maintaining CRR and SLR irrespective of whether the accrued interest has become actually payable or is not payable till due dates for repayment of deposits.
- (b) The interest accrued on deposits should be classified under 'Other Demand and Time Liabilities' in the Form I & VIII.

11. Amount not to be treated as Outside Liabilities for CRR and SLR

- (i) Claim amounts received from the DICGC in respect of guarantees invoked, pending their adjustment towards the relative advances.
- (ii) Amounts received from the Court Receiver.
- (iii) Amounts received from Insurance Company on ad-hoc settlement of claims pending the judgement of the Court.
- (iv) Amounts received from ECGC on invocation of guarantees, pending their set-off against the relative advances.

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

Form 'B'

[To be submitted by a Scheduled Bank which is a State Co-op. Bank] #

[Vide para 2.1.11 (i) & (iv)]

Statement of position as at the close of business on Friday @ the _____

(Rupees rounded off to the nearest thousand)

Name of the Bank :

I. Liabilities to the Banking System in India *

- (a) Demand and time deposits from banks *
 - (i) Demand
 - (ii) Time
- (b) Borrowings from banks *
- (c) Other demand and time liabilities @@

Total of I

II. Liabilities to Others in India

- (a) Aggregate deposits (other than from banks* and also other than any deposit of money representing the reserve fund or any part thereof maintained by any co-operative society within the State Co-operative bank's area of operation)
 - (i) Demand
 - (ii) Time
- (b) Borrowings (other than Reserve Bank of India, Industrial Development Bank of India, National Bank for Agriculture and Rural Development, Export-Import Bank of India, the State Government and the National Co-operative Development Corporation, State Co-operative Bank of the State concerned or the Central Co-operative Bank of the District concerned)
- (c) Other demand and time liabilities

Total of II

Total of I + II

III. Assets with the Banking System in India *

- (a) Balance with banks *
 - (i) in current account
 - (ii) in other accounts
- (b) Money at call and short notice
- (c) Advances to banks * i.e. due from banks *
- (d) Other assets

Total of III

IV. Cash in India (i.e. cash in hand)

V. Investments in India (at book value)

- (a) Central and State Government securities including treasury bills, treasury deposit receipts, treasury savings deposit certificates and postal obligations
- (b) Other approved securities

Total of V

VI. Bank Credit in India (excluding inter-bank advances)

- (a) Loans, cash credits and overdrafts
- (b) Inland bills purchased and discounted
 - (i) Bills purchased
 - (ii) Bills discounted
- (c) Foreign bills purchased and discounted
 - (i) Bills purchased
 - (ii) Bills discounted

Total of VI

Total of III + IV + V + VI

A.	Net Liabilities for the purpose of Section 42 of Reserve Bank of India Act, 1934 = Net Liability to the Banking System + Liability to Others in India	(I - III) + II, if (I - III) is a plus figure or II only, if (I - III) is a minus figure
B.	Amount of minimum deposit required to be kept with the Reserve Bank of India under the Act (rounded off to the nearest rupee)	= Rs.
C.	Savings Bank Account (vide Regulation 7) Demand liabilities in India Time liabilities in India	

Signature of Officers

Station : 1. (Designation)

Date : 2. (Designation)

1. **Borrowings in India from the Reserve Bank of India under the Reserve Bank of India Act, 1934**

Section :

- (i) 17(2)(a)
- (ii) 17(2)(b) or (4)(c)
- (iii) 17(2)(bb) or (4)(c)
- (iv) 17(4)(c)
- (v) 17(4)(a)

Total of item (1)

2. Borrowings from

- (i) National Bank under the National Bank for Agriculture and Rural Development Act, 1981 under Section:
 - (a) 21
 - (b) 22
 - (c) 23
 - (d) 24
 - (e) 25
- (ii) State Bank of India
- (iii) Other banks
- (iv) Industrial Development Bank of India
- (v) State Government
- (vi) National Co-operative Development Corporation
- (vii) Export-Import Bank of India
- (viii) State Co-operative Bank of the State concerned

(ix) District Central Co-operative Bank of the District concerned

Total of item (2)

3. Balance with the Reserve Bank of India

Footnotes:

- # Scheduled primary (urban) co-operative banks are also required to submit the statement in the same format.
- @ Where Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881) for one or more offices of a scheduled State Co-operative bank, the return shall give the preceding working day's figures in respect of such office or offices, but shall nevertheless be deemed to relate to that Friday.
- * The expression "Banking System" or "Banks" wherever it appears in the return means the banks and any other financial institutions referred to in regulations (i) to (v) of clause (e) of the Explanation below Section 42(1) of the Reserve Bank of India Act, 1934.
- @@ If it is not possible to provide the figure against I(c) separately from II(c), the same may be included in the figure against II(c). In such a case, the net liability to the banking system will be worked out as the excess, if any, of the aggregate of I(a) and I(b) over the aggregate of III.

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

Specimen Signature of Officials Authorised to sign the
Periodical Statements of Interest Claims on CRR Balances

[Vide para 2.1.11 (vi)]

Name and Address of the Bank :

Officials authorised to sign statements of quarterly interest claim on CRR balances to be submitted to RBI

Sr. No.	Name of the Officer	Designation	Specimen Signature

Attested by :

Signature :

Designation :

Official Seal :

Principal Account maintained at:

Reserve Bank of India
 Deposits Accounts Department

 (Name of the place)

Account No.

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

Computation of Demand & Time Liabilities for CRR and SLR

[Applicable to Non-Scheduled Primary (Urban) Co-operative Banks for CRR and all Primary (Urban) Co-operative Banks for SLR purposes]

[Vide para 2.2.2 , 3.7.2 & 3.7.3]

1. **Definition of various terms**
(Vide Explanation to Section 18(1) read with Section 56 of the Banking Regulation Act, 1949)
 - (i) **“Average Daily Balance”**
 - (a) It shall mean the average of the balances held at the close of business on each day of a fortnight.
 - (ii) **“Fortnight”**
 - (a) It shall mean the period from Saturday to second following Friday, both days inclusive.

2. **‘Banking System’ comprises of -**
 - (i) State Bank of India
 - (ii) Subsidiary banks of State Bank of India
 - (iii) Nationalised Banks
 - (iv) Regional Rural Banks
 - (v) Banking Companies as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949. These include -
 - Private Sector Banks
 - Foreign Banks

Note: Foreign banks having no branch in India are not part of ‘banking system’.
 - (vi) Any other financial institution ‘notified’ by the Central Government in this behalf.

3. **‘Banking System’ does not include** the following -
 - EXIM Bank
 - NABARD
 - SIDBI
 - IFCI
 - IIBI

4. **Liabilities do not include -**
 - (i) Paid-up capital

- (ii) Reserves
- (iii) Credit balance in P&L account
- (iv) Loans from RBI, EXIM Bank, NABARD, SIDBI, NHB, I I B I.

5. **Net Liabilities**

While computing liabilities for the purpose of CRR and SLR, the **net liabilities** of the bank to other banks in India **in the 'banking system' shall be reckoned**, i.e., assets in India with other banks in the 'banking system' will be reduced from total liabilities to the 'banking system'.

6. **Liabilities to the 'Banking System' include -**

- (i) Deposits of the banks.
- (ii) Borrowings from Banks (Call Money/Notice deposits).
- (iii) Other miscellaneous items of liabilities to the Banks like Participation Certificates issued to banks, interest accrued on bank deposits, etc.

7. **Classification of Liabilities to the 'Banking System'**

- (i) Liabilities of the bank to the 'banking system' are classified into two broad categories viz. 'Demand Liabilities' and 'Time Liabilities'.
- (ii) 'Demand Liabilities' to the 'banking system' are further classified as under:
 - (a) Balances in current accounts of -
 - SBI
 - SBI Subsidiary Banks
 - Nationalised Banks
 - (b) Other demand liabilities comprising of -
 - 1) Balances in current accounts of -
 - ◇ RRB
 - ◇ Banking Companies i.e. Private Sector Banks and Foreign Banks
 - ◇ Other 'Notified' financial institutions.
 - 2) Balances of overdue time deposits of above named banks.
 - 3) Participation Certificates payable on demand issued to banks. Within the definition of 'banking system'
 - 4) Interest accrued on deposits of banks (RRBs).*
 - 5) Call Money Borrowings from the banks.
- (iii) Time liabilities to the 'banking system' include -
 - (a) All types of time deposits from the banks
 - (b) Certificates of deposits from the banks
 - (c) Participation Certificates issued to banks which are not payable on demand Within the definition of 'banking system'
 - (d) Interest accrued on time deposits/CDs of banks *

- * If it is not possible to classify/segregate this amount from interest accrued on deposits, the aggregate interest accrued may be shown under 'Other Demand and Time Liabilities' in Form I & VIII.

8. **Assets with the 'Banking System'**

- (i) Balances **with** 'banking system' in current accounts -
 - (a) SBI
 - SBI Subsidiaries
 - Nationalised banks
 - (b) RRBs
 - Banking Companies i.e. Private Sector Banks and Foreign Banks
 - Other Notified Financial Institutions.
 - (ii) Balances with above referred banks and notified financial institutions in other accounts.
 - (iii) Money at call and short notice upto 14 days lent to the above referred banks and notified financial institutions.
 - (iv) Loans other than money at call and short notice made available to the 'banking system'.
 - (v) Any other amounts due from the 'banking system', like amount held by the bank with other banks (in transit or other accounts) under inter-bank remittance facility, etc.
9. (i) Lendings by the bank to the following financial institutions in the term money market cannot be reckoned as assets with the 'Banking System'. Hence, these borrowings cannot be netted against the liabilities towards the 'Banking System'.
- EXIM Bank
 - IFCI
 - NABARD
 - I I B I
 - SIDBI
- (ii) The borrowing of the bank other than refinance from these financial institutions should form part of liabilities to others and therefore, form part of net demand and time liabilities for the purpose of reserve requirements.
10. Deposits kept with SIDBI/NABARD for shortfalls in attaining priority sector targets should not be shown as assets with Banking System and such deposits cannot be netted in arriving at net DTL for the purpose of CRR and SLR requirements. The amount kept with SIDBI/NABARD may be shown by way of a footnote in Form I and Form VIII with an explanatory note.

11. **Classification of Certain items under Liabilities**

- (i) **Inter-Branch Accounts**
 - (a) Net balance in inter-branch account, when in credit, is to be shown under 'Other Liabilities and Provisions' which is included in total Demand and Time Liabilities for CRR and SLR purpose.
 - (b) After **27.07.98**, the bank should segregate the credit entries outstanding for more than five years in inter-branch account as 'Blocked Account' and show it under 'Others' under 'Other Liabilities and Provisions'. Thereafter, while arriving at net amount of inter-branch transactions for inclusion under 'Other Liabilities and Provisions' if in credit, or 'Other Assets' if in debit, the aggregate amount of 'Blocked Account' should be excluded and only the amount representing the remaining credit entries should be netted against debit entries. Thus, the balance in the 'Blocked Account' will be reckoned for the purpose of maintenance of CRR and SLR, even though the net of inter-branch entries is a debit balance.

(ii) **Margin Money on Bills Discounted/Purchased**

The bank should follow uniform procedure in treating margin money on bills purchased/discounted as outside liabilities and should include it in other demand and time liabilities for the purpose of maintenance of reserve requirements.

(iii) **Interest Accrued on Deposits**

- (a) The interest accrued on all deposit accounts (such as, savings, fixed, recurring, cash certificates, reinvestment plans, etc.), by whatever name called, should be treated by the bank as its liability for the purpose of maintaining CRR and SLR irrespective of whether the accrued interest has become actually payable or is not payable till due dates for repayment of deposits.
- (b) The interest accrued on deposits should be classified under 'Other Demand and Time Liabilities' in the Form I & VIII.

12. **Amount not to be treated as Outside Liabilities for CRR and SLR**

- (i) Claim amounts received from the DICGC in respect of guarantees invoked, pending their adjustment towards the relative advances.
- (ii) Amounts received from the Court Receiver.
- (iii) Amounts received from Insurance Company on ad-hoc settlement of claims pending the judgement of the Court.
- (iv) Amounts received from ECGC on invocation of guarantees, pending their set-off against the relative advances.

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

THE BANKING REGULATION ACT, 1949

FORM - I

(See Rule 5)
[Sections 18(1) and 24(3)]

[Vide para 2.2.4 (i), 3.8.1]

Name of the Co-operative Bank :

Name(s) and designation(s) of the officer(s) submitted the return :

Statement of demand and time liabilities in India and amount maintained in India in cash, gold and unencumbered securities for the month of _____

The amounts of various items in this return should be worked out after taking into account, where necessary, the adjustments indicated in the footnotes at the end of the return.

(Rounded off to the nearest thousand rupees)

	As at the close of business on		
	First Alternate Friday (Date)	Second Alternate Friday (Date)	Third Alternate Friday (Date)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
PART-A			
I. Liabilities in India(£) to the banking system \$			
(a) Demand liabilities			
(i) Total of credit balances in current accounts maintained with the Co-operative Bank by the State Bank of India, subsidiary banks and corresponding new banks			
(ii) Total of other demand liabilities to the banking system			
(b) Time liabilities to the banking system \$			
Total of I			
II. Liabilities in India to others X			

	As at the close of business on		
	First Alternate Friday (Date)	Second Alternate Friday (Date)	Third Alternate Friday (Date)
1	2	3	4
(a) Demand liabilities			
(b) Time liabilities			
Total of II			
III. Assets in India with the banking system			
(a) Total of credit balances (%) in current accounts maintained with State Bank of India, subsidiary banks and corresponding new banks.			
(b) Total of other assets with the banking system, viz., (i) balances in all accounts other than those included in item III(a), (ii) money at call and short notice, (iii) advances, and (iv) any other assets.			
IV. Total (net) demand and time liabilities for the purposes of Sections 18 and 24 of the Act = (I-III) + II, if (I-III) is a plus figure, OR II only, if (I-III) is a minus figure			
V. Cash in hand (&)			
VI. Balances in current accounts with			
(a) Reserve Bank of India ++			
(b) State Co-operative Bank of the State concerned (+)			
(c) Central Co-operative Bank of the district concerned (%)			
Total of VI			
VII Net balance in current accounts, i.e., excess of III(a) over I(a)(i)			

	As at the close of business on		
	First Alternate Friday (Date)	Second Alternate Friday (Date)	Third Alternate Friday (Date)
1	2	3	4
(f) Balances of all other types with: (i) State Co-op. Bank of the State concerned (+) (ii) Central Co-op. Bank of the district concerned (X)			

Date :

Signature

Footnotes:

1. Return in this Form is to be submitted to the Reserve Bank of India under Section 24 of the banking Regulation Act, 1949 (As application to co-operative societies) by scheduled State Co-operative Banks and Sections 18 and 24 of the *Act ibid.* by the other "Co-operative Banks" not later than 15 days after the end of the months to which it relates.
2. If an alternate Friday is a holiday under the Negotiable Instruments Act, 1881 (26 of 1881), the figures as at the close of business on the preceding working day should be furnished.
- £3. For the purposes of this return, "Liabilities in India" shall not include.
 - (i) The paid-up capital or the reserves or any credit balance in the profit and loss account of the Co-operative Bank -
 - (ii) In the case of a State Co-operative Bank or a Central Co-operative Bank, any deposit of money with it, representing the reserve fund or any part thereof maintained with it, by any other Co-operative Society within its area of operation;
 - (iii) in the case of a Central Co-operative Bank, any advance taken from the State co-operative bank of the State concerned;
 - (iv) Any advance taken by a primary Co-operative Bank from the State Co-operative Bank of the State concerned or the Central Co-operative Bank of the district concerned;
 - (v) Amount of, any advance or other credit arrangement drawn and availed of by a Co-operative Bank against approved securities;
 - (vi) In the case of any Co-operative Bank which has granted an advance against any balance maintained with it, such balance to the extent of the amount outstanding in respect of such advance.
- 4\$. For the purpose of this return, the expression "Banking system" shall comprise the following banks and financial institutions, viz.
 - (i) State Bank of India
 - (ii) Subsidiary banks;
 - (iii) Corresponding new banks;
 - (iv) Regional Rural Banks
 - (v) Banking companies;
 - (vi) Other financial institutions, if any, notified by the Central Government in this behalf under

clause (d) of the *Explanation* to sub-section (1) of Section 18 of the Banking Regulation Act, 1949 (As applicable to co-operative societies).

- 5X. For the purpose of this return, "liabilities in India to others" shall not include borrowings from a State Government, the Reserve Bank, Industrial Development Bank of India, Export-Import Bank of India, National Bank for Agriculture and Rural Development, or from the National Co-operative Development Corporation established under Section 3 of the National Co-operative Development Act, 1962.
- 6%. (i) Any balance held by Co-operative Bank with another bank shall not, to the extent such balance represents the investment of Agricultural Credit Stabilisation Fund of such Co-operative Bank, be deemed to be cash maintained in India.
- (ii) In case the co-operative bank has taken an advance against any balance maintained with the State Co-operative bank of the State concerned or with the Central Co-operative Bank of the district concerned, such balance to the extent to which it has been drawn against or availed of shall not be deemed to be such cash maintained in India.
- 7&. (i) For the purpose of this return, any cash with a Co-operative Bank shall not, to the extent such cash represents the balance in Agricultural Credit Stabilisation Fund of such Co-operative Bank, be deemed to be cash maintained in India.
- (ii) Cash must not include balance with other banks or any item other than bank/currency notes, rupee coin (including one rupee notes) and subsidiary coins current on the date of this return.
- 8+++. Scheduled State Co-operative Banks should show here only the amount in excess of the balance required to be maintained with the Reserve Bank of India under Section 42 of the Reserve Bank of India Act, 1934.
- 9+. Applicable to State industrial Co-operative Banks, central Co-operative Bank, district industrial Co-operative Banks and primary Co-operative Banks only.
- 10x. Applicable to primary Co-operative Banks only.
- 11\$\$.(i) Valued on the basis of the method of valuation determined by the Reserve Bank.
- (ii) Approved securities, or a portion thereof, representing investment of monies of Agricultural Credit Stabilisation Fund of a Co-operative Bank, shall not be deemed to be unencumbered approved securities.
- ££. Valued at a price not exceeding the current market price.]

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

(Appendix - I)

**Monthly statement showing the daily position of maintenance of
cash reserve under Section 18 of the Banking Regulation Act, 1949
(As applicable to Co-operative Societies) during the month of _____**

[Applicable to Non-Scheduled Primary (Urban) Co-operative Banks]

[Vide para 2.2.4 (ii)]

Name of the Bank :

(Rupees rounded off to the nearest thousand)

	Date	Amount of Cash Reserve		Deficit	Surplus	Remarks
		Required to be maintained	Actually maintained			
1	2	3	4	5	6	7
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						

	Date	Amount of Cash Reserve		Deficit	Surplus	Remarks
		Required to be maintained	Actually maintained			
24						
25						
26						
27						
28						
29						
30						
31						

Signature of CEO _____

Name _____

Designation _____

NB: *Where there is a public holiday under Negotiable Instruments Act, 1881 (26 of 1881), figures in respect of such day should relate to the preceding working day.*

STATEMENT OF VALUATION OF SLR SECURITIES**(Fortnight ended Friday-----)****(Vide para 3.6)****Name of the Bank:**

(Rs. in lakhs up to two decimals)

Particulars	Face Value	Book Value	Depreciation Held	Net Value for SLR Purpose (2-3)
PART I	1.	2.	3.	4.
<u>Government Securities</u>				
Opening Balance				
Addition during the fortnight (+)				
Deduction during the fortnight (-)				
Closing Balance (a)				
Part II				
<u>Other Approved Securities</u>				
Opening Balance				
Addition during the fortnight (+)				
Deduction during the fortnight (-)				
Closing Balance (a+b)				

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

(Appendix - II)

**Monthly statement showing the daily position of maintenance of
liquid assets under Section 24 of the Banking Regulation Act, 1949
(As applicable to Co-operative Societies) during the month of _____**

[Applicable to all Primary (Urban) Co-operative Banks
(Scheduled and Non-Scheduled)]

[Vide para, 3.8.2, 3.9.4]

Name of the Bank :

(Rupees rounded off to the nearest thousand)

	Date	Amount of Liquid Assets		Deficit	Surplus	Remarks
		Required to be maintained	Actually maintained			
1	2	3	4	5	6	7
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						

	Date	Amount of Liquid Assets		Deficit	Surplus	Remarks
		Required to be maintained	Actually maintained			
23						
24						
25						
26						
27						
28						
29						
30						
31						

Signature of CEO _____

Name _____

Designation _____

NB: *Where there is a public holiday under Negotiable Instruments Act, 1881 (26 of 1881), figures in respect of such day should relate to the preceding working day.*

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

**Register showing the daily position of cash reserve and liquid assets
maintained under Sections 18 and 24 respectively of the Banking
Regulation Act, 1949 (As applicable to Co-operative Societies)
(For Primary Co-operative Banks)**

[Vide para 4.1.1]

(Rounded off to the nearest thousand)

	Month and year																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
PART-A																																
I. Liabilities in India ₹ to the banking system																																
(a) Demand liabilities																																
(i) Total of credit balances in current accounts maintained with the Co-operative Bank by the State Bank of India, subsidiary banks and corresponding new banks																																
(ii) Total of other demand liabilities to the banking system																																
(b) Time liabilities to the banking system																																
Total of I																																

	Month and year																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
II. Liabilities in India £, X to others																																
(a) Demand liabilities																																
(b) Time liabilities																																
Total of II																																
III. Assets in India with the banking system																																
(a) Total of credit balances % in current accounts maintained with State Bank of India, subsidiary banks and corresponding new banks.																																
(b) Total of other assets with the banking system, viz., (i) balances in all accounts other than those included in item III(a), (ii) money at call and short notice, (iii) advances, and (iv) any other assets.																																
IV. Total (net) demand and time liabilities for the purposes of Sections 18 and 24 of the Act = (I-III) + II, if (I-III) is a plus figure, OR II only, if (I-III) is a minus figure																																
V. Cash in hand																																
VI. Balances in current accounts with																																
(a) Reserve Bank of India ++																																
(b) State Co-operative Bank of the State concerned *+%																																
(c) Central Co-operative Bank of the district concerned *%																																

	Month and year																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
Total of VI																																
VII. Balances of all other types with																																
(a) State Co-operative Bank of the State concerned *+%																																
(b) Central Co-operative Bank of the district concerned *+%																																
Total of VII																																
VIII. Net balance in current accounts, <i>i.e.</i> , excess of III(a) over I(a)(i)																																
PART-B: Compliance with Section 18 (Not applicable to scheduled State Co-operative Banks)																																
IX. 3 per cent of IV as on the last Friday of the second preceding fortnight																																
X. Cash reserve actually maintained = V + VI + VIII																																
PART-C: Compliance with Section 24: (Not applicable to scheduled State Co-operative Banks)																																
XI. 25 per cent (or a higher specified percentage) of IV as on the last Friday of the second preceding fortnight																																
XII. Assets actually maintained																																
(a) Cash and other balances maintained in India X-IX + VII																																
(b) Gold ££																																
(c) Unencumbered approved securities \$\$																																

	Month and year																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
Total of XII																																
PART-D : Compliance with Section 24: (Applicable to Scheduled/State Co-operative Banks)																																
XIII 25 per cent (or a higher specified percentage) of IV as on the last Friday of the second preceding fortnight																																
XIV Assets actually maintained																																
(a) Cash in hand																																
(b) Balance maintained with the Reserve Bank of India in excess of the balance required to be maintained under Section 42 of the Section of India Act, 1934 [i.e., VI(a)]																																
(c) Net balance in current accounts (i.e., VIII)																																
(d) Gold ££																																
(e) Unencumbered approved securities \$\$																																
Total of XIV																																

Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)

**Explanations for compilation of the figures under various heads
of the register showing daily position of cash reserve and liquid
assets maintained by primary co-operative banks**

[Vide para 4.1.3]

1. "Liabilities in India" shall not include -
 - (i) the paid-up capital or reserves or, any credit balance in the profit and loss account of the co-operative bank;
 - (ii) any advances taken by a primary co-operative bank from the State Co-operative Bank of the State concerned or the central co-operative bank of the district concerned;
 - (iii) any advance taken from a State Government, Reserve Bank, Industrial Development Bank of India, Export-Import Bank of India, National Bank for Agriculture and Rural Development, or from the National Co-op. Development Corporation established under Section 3 of the National Co-operative Development Corporation Act, 1962.
 - (iv) amount of any advance or other credit arrangement drawn and availed of by a co-operative bank against approved securities;
 - (v) in the case of any co-op. bank which has granted an advance against any balance maintained with it, such balance to the extent of the amount outstanding in respect of such advance.

2. The expression 'Banking System' shall comprise the following banks and financial institutions, viz.
 - (i) State Bank of India;
 - (ii) Subsidiary banks;
 - (iii) Corresponding new banks;
 - (iv) Regional Rural banks;
 - (v) Banking Companies;
 - (vi) Other financial institutions, if any, notified by the Central Government in this behalf under clause (d) of the Explanation to subsection (1) of Section 18 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies).

3. Time liabilities include fixed deposits, cash certificates, cumulative and recurring deposits, time liabilities portion of savings bank. deposits, staff security deposits, margins hold against letters of credit if not payable on demand and fixed deposits held as security for advances subject to item l(v) above.
4. Fixed deposits will include (i) employees' provident fund deposits, (ii) staff security deposits, (iii) recurring deposits, (iv) cash certificates, (v) call deposits requiring notice period of more than 14 days, (vi) provident deposits, (vii) other miscellaneous deposits like earnest money deposits of contractors etc.
5. Demand liabilities include current deposits, demand liabilities portion of savings bank deposits, margins held, against letters of credit/ guarantees, balances in overdues fixed deposits, cash certificates and cumulative./recurring deposits, outstanding telegraphic and mail transfers, demand drafts, unclaimed deposits, credit balances in the cash credit accounts and deposits held as security for advances which are payable on demand.
6. Current deposits will include (i) call deposit which require a notice period of 14 days or less (ii) credit balance in cash credit account, (iii) fixed deposits matured but. not withdrawn etc.
7. "net balance in current accounts" shall, in relation to a co-op. bank, mean the excess, if any, of the aggregate of the credit balances in current account maintained by that co-op. bank with the State Bank of India or a subsidiary bank or a corresponding new bank over the aggregate of the credit balances in current accounts held by the said banks with such co-op bank;
8. For the purpose of computation of liabilities, the aggregate of the liabilities of a co-op. bank to the State Bank of India, a subsidiary bank, a corresponding new bank, a Regional Rural bank, a banking company or any other financial institution notified by the Central Government in this behalf shall be reduced by the aggregate of the liabilities of all such banks and institutions to the co-op. bank;
9. Other demand and time liabilities include interest accrued on deposits, bills payable, unpaid dividends and suspense account balances representing amounts due to other banks or public.
10. Money at call and short notice obtained from outside the 'Banking System' (say from Life Insurance Corporation, Unit Trust of India, etc.) should be shown against Item No. II.
11. If a bank cannot segregate from the total of 'other demand liabilities' and 'time liabilities', the liabilities to the 'Banking System', the entire 'other demand liabilities' and 'time liabilities' may be shown against Item viz., Liabilities in India to others -
 - (i) demand liabilities, and
 - (ii) time liabilities as the case may be.
12. Only demand and time borrowings other than those excluded under clause (a) (ii) and (iii) of the explanation to Section 18(l) of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) should be shown against this item.
13. 'Other demand liabilities' and 'other time liabilities ' as the case may be, will include deposits unclaimed for more than ten years, provisions in the nature of outside liabilities (such as provision for income tax and other taxes payable, audit fees payable, establishment charges payable etc.), interest payable, bonus payable, bills payable, dividend payable, share suspense, other suspense and sundry, items (which are outside liabilities) etc.
14. In case the co-op. bank has taken an advance against any balance maintained with the State Co-operative Bank of the State concerned or with the central co-operative bank of the district concerned, such balance to the extent to which it has been drawn against or availed of shall not be deemed to be cash maintained in India.

15. In computing the amount for the purpose the following shall be deemed to be cash maintained in India, namely;
- (i) any cash or balances maintained in India by a co-operative bank, with itself or with the State Co-operative Bank of the State concerned, or in current account with the Reserve Bank or by way of net balance in current accounts, and, in the case of a primary co-operative bank, also any balances maintained with the central co-operative bank of the district concerned, in excess of the aggregate of the cash or balances required to be maintained under Section 18;
 - (ii) any net balance in current account.
16. Assets with the 'Banking System' in India comprise;
- (i) Balances with the 'Banking System' in current accounts (a) with public sector banks and (b) with all other banks and notified financial institutions;
 - (ii) Balances with banks and notified financial institutions, in all other accounts,
 - (iii) Funds made available to the 'Banking System' by way of loans or deposits repayable at call or short notice of a fortnight or less;
 - (iv) Loans, other than 'Money at call and short notice' made available to the 'banking system'; and
 - (v) Any other amounts due from the 'Banking System' which cannot be classified under any of the above items, for example in the case of inter bank remittance facility scheme, as on date, the total amount held by a bank with other banks (in transit or other account) would be shown here as such sums cannot be constructed as 'balances' or 'call; money' or 'advances'.

In this context, it may be clarified, that if a bank has lodged securities with another bank for borrowal arrangements, then such securities or the unencumbered position of the same should not be shown by the borrowing bank as 'assets' with 'Banking System'. Similarly, the bank which has received the securities should not show them as 'other liabilities', to the 'Banking System'.

Currency and rupee notes and coins held as till money should be shown as cash in India (i.e. cash in hand). However, currencies of foreign countries held with a bank should not be included.

17. Cash must not include balances with other banks or any item other than bank/currency notes, rupee coin (including one rupee notes) and subsidiary coins current on the date of the posting of the register.
18. Unencumbered approved securities to be valued on the basis of the method of valuation determined by the Reserve Bank (at present being valued at a price not exceeding current market price).
19. "unencumbered approved securities" of a co-op. bank shall include its 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.
20. Gold to be valued at a price not exceeding the current market price.

**Master Circular
Cash Reserve Ratio (CRR)
&
Statutory Liquidity Ratio (SLR)**

A. list of circulars consolidated in the master circular

No.	Circular No.	Date	Subject
1	UBD (PCB)Cir.No.6/16.26.000/2006-07	16-08-2006	Section 42(1)of RBI Act.1934- Maintenance of CRR
2	UBD (PCB)Cir.No.59/16.26.000/2005-06	22-06-2006	RBI Act.1934(Amendment) -maintenance of CRR
3	UBD(PCB)Cir.60/16.26.000/2005-06	22-06-2006	RBI Act.1934(Amendment) -maintenance of CRR
4	UBD (PCB).Cir.No.31/16.26.00/2005-06	17-02-2006	BR Act.1949 (AACS)- Investment in Government and other Approved Securities by UCBs- Exemption under Section 24A
5	UBD(PCB).BPD.Cir.41/16.20.000/2005-06	29-03-2006	Investment portfolio of Urban Co operative Banks (UCBs)- Classification and Valuation of Investments.
6	UBD(PCB). Cir.41/16.20.00/2004-05	28-03-2005	Investment portfolio of Urban Cooperative Bank (UCBs)-Classification and valuation of Investments.
7	UBD. PCB.Cir 19/16.11.00/2004-05	13-09.2004	Section 42(1) of Reserve Bank of India Act. 1934- Maintenance of Cash Reserve Ratio (CRR) by Scheduled Primary (Urban) Co- operative Banks
8	UBD.IP.(PCB)Cir No.16.11.00/2002-03	29-04-2003	Section 42(1) of RBI Act, 1934 – Maintenance of CRR by scheduled primary (urban) co-op. banks
9	UBD.BR.No.7/16.11.00/2002-03	12-12-2002	Section 42 of the RBI Act, 1934 – payment of interest on eligible CRR balances on monthly basis
10	UBD.BR.Cir. No.12/16.11.00/2001-02	20-05-2002	Section 42(1) of RBI Act, 1934 – Maintenance of CRR by scheduled primary (urban) co-op. banks
11	UBD.BR.Cir.No.11/16.11.00/2001-02	29-04-2002	-do-
12	UBD.BR.(PCB)Cir No.20/16.11.00/2001-02	22-10-2001	Change in Bank Rate
13	UBD.No.BR.Cir/42/16.26.00/2000-01	19-04-2001	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)
14	UBD.No.CO.BR.6/16.26.00/99-2000	27-04-2000	Cash balances required to be maintained by Scheduled Primary (urban) Co-operative Banks

15	UBD.No.BR.13A/16.11.00/99-2000	29-10-1999	Section 42(1) of the Reserve Bank of India Act, 1934
16	UBD.No.BSD-I.28/12.05.01/98-99	23-04-1999	Inter-branch Accounts – Old outstandings credit entries
17	UBD.No.BR.PCB.CIR.21/16.26.00/98-99	01-03-1999	Penal Rate of Interest on the shortfall in the maintenance of CRR/SLR
18	UBD(SUB)BR.21/16.26.00/97-98	20-06-1998	Maintenance of Cash Reserve Ratio (CRR) under Section 42 of the Reserve Bank of India Act, 1934 and Statutory Liquidity Ratio (SLR) under section 24 of the Banking Regulation Act, 1949 (AACS)
19	UBD.No.(Cir)BR.60/16.26.00/97-98	25-05-1998	Sections 18 and 24 of the B.R. Act, 1949 (AACS)- Maintenance of Cash Reserve Ratio and Statutory Liquidity Ratio and Submission of Return in Form I
20	UBD.No.BR.PCB.Cir.52/16.26.00/97-98	29-04-1998	Penal Rate of interest on the shortfall in the maintenance of CRR/SLR
21	UBD.No.BR.PCBCIR.51/16.26.00/97-98	11-04-98	Penal Rate of interest on the shortfall in the maintenance of CRR/SLR
22	UBD.No.16/24.00/97/98	18-03-1998	Penal Rate of interest on the shortfall on the maintenance of CRR/SLR
23	UBD.No.BR.PCB.CIR.36/16.11.00/97-98	16-01-1998	Penal Rate of interest on the shortfall in the maintenance of CRR/SLR
24	UBD.No.BR.SUB.18/16.11.00/97-98	02-12-1997	Section 42(1A) of the Reserve Bank of India Act, 1934 – Cash Reserve Ratio (CRR) on Non-Resident (External) Rupee Accounts (NRE) Accounts Scheme
25	UBD.No.BR.16/16.04.00/97-98	06-11-1997	Section 42 of the Reserve Bank of India Act, 1934 – Maintenance of Cash Reserve Ratio (CRR)
26	UBD.No.BR.PCB.CIR.17/16.11.00/97-98	06-11-1997	Penal Rate of interest on the shortfalls in the maintenance of CRR/SLR
27	UBD.No.BR.SUB 10/16.11.00/96-97	15-04-1997	Section 42 (1A) of the Reserve Bank of India Act, 1934 – Cash Reserve Ratio (CRR) on Non-Resident (External) Rupee Accounts (NRE Accounts) Scheme
28	UBD.No.BR.SUB.12/16.11.00/96-97	15-04-1997	Section 42(1) of the Reserve Bank of India Act, 1934 – Change of Cash Reserve Ratio on Liabilities to the Banking System
29	UBD.No.BR.Ad/18/16.11.00/96-97	15-04-1997	Section 42(1A) of Act, 1934 – Cash the Reserve Bank of India Reserve Ratio (CRR) on Foreign Currency Non-Resident Accounts (Banks) [(FCNR)(B)] Scheme Non-Resident (Non-Repatriable) Rupee Deposit (NRNR)
30	UBD.No.BR.PCB.CIR.53/16.11.00/96-97	15-04-1997	Penal Rate of Interest on the shortfalls in the maintenance of CRR/SLR
31	UBD.No.BR.70/16.04.00/95-96	29-06-1996	Netting Concept for Reserve Requirements – Dealings with Primary Dealers
32	UBD.No.BR.SUB.5/16.11.00/95-96	03-04-1996	Cash Reserve Ratio on Deposits under Non-Resident (External) Rupee Accounts (NRE Accounts)
33	UBD.No.BR.Ad-5/16.11.00/95-96	06-01-1996	Cash Reserve Ratio (CRR) on Non-resident (Non-Repatriable) Rupee Deposit (NRNR) Scheme and on Foreign Currency Non-Resident Accounts (Banks) FCNR (B) Scheme

34	UBD.No.BR.Cir.33/16.26.00/95-96	03-01-1996	Banking Regulation Act, 1949 (As applicable to Co-operative Societies) Section 24-Investment in Government and other approved securities by primary co-operative banks
35	UBD.No.BR.AD-4/16.11.00/95-96	06-12-1995	Cash Reserve Ratio on Foreign Currency Non-Resident Accounts (Banks) FCNR(B) Scheme
36	UBD.No.BR/AD/2/16.11.00/95-96	11-11-95	Cash Reserve Ratio on Foreign Currency (Non-Resident) Accounts (Banks) Scheme
37	UBD.No.BR.AD.1/16.11.00/95-96	02-11-1995	Cash Reserve Ratio (CRR) on Non-resident (Non-Repatriable) Rupee Deposit (NRNR) Scheme
38	UBD.No.BR.SUB.2/16.11.00/95-96	02-11-1995	Cash Reserve Ratio on Deposits under Non-Resident (External) Rupee Accounts (NRE Accounts)
39	UBD.No.BR(CIR)21/16.26.00/95-96	12-10-1995	Valuation of Securities for Statutory Liquidity Ratio (SLR)
40	UBD.No.CO(BR)AD.3/16.05.00/95-96	29-09-1995	Section 42 of the Reserve Bank of India Act, 1934 – Cash Reserve Ratio (CRR) – Maintenance of minimum level of 85 per cent on a daily basis.
41	UBD.No.Cir.63/16.26.00/94-95	16-06-1995	Banking Regulation Act, 1949 (As applicable to Co-operative Societies) – Section 24 – Investment in Government and other approved securities by Primary Co-operative Banks
42	UBD.No.CO.(Br)SUB.5/16.26.00/94-95	28-03-1995	Cash balances required to be maintained by Scheduled Primary Co-operative Banks
43	UBD.No.BR.35/16.04.00/94-95	31-12-1994	Netting concept for Reserve Requirements – Dealings with Securities Trading Corporation or India Limited (STCI)
44	UBD.BR.3/16.26.4/94-95	13-12-1994	Cash balances required to be maintained by Scheduled primary co-operative banks
45	UBD.BR.379/16.11.00/94-95	13-12-1994	Section 42(1) of the RBI Act, 1934 – Returns in Form 'B' Exempted Categories of deposits from maintenance of reserve requirements
46	UBD.No.BR.2/16.26.00/94-95	24-11-1994	Auction of Government Stock 2002, for which the payment is made in instalments
47	UBD.BR.44/16.26.00/94-95	22-07-1994	Maintenance of Cash Reserve Ratio and Statutory Liquidity Ratio
48	UBD.Cir (PCB)No.53/16.26.00/93-94	08-02-1994	Maintenance of cash reserve and statutory liquid assets under Sections 18 and 24 respectively of Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) – Submission of daily position
49	UBD.No.Cir(SUC)No.158/16.26.00/93-94	08-02-1994	Maintenance of liquid assets under Section 24 of the banking Regulation Act (As Applicable to Co-operative Societies) – Submission of daily position along with Return in Form I.
50	UBD.No.155/16,.26.00/93-94	25-01-1994	Section 18 & 24 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) Penalty

51	UBD.BR.48,49/16.11.00/93-94	14-07-1993	Section 42(1) of the Reserve Bank of India Act, 1934 – Returns in Form 'B' – Exempted categories of deposits from maintenance of reserve requirements
52	UBD.No.BR.72/A.12(24)92/93	12-05-1993	Maintenance of cash reserve and statutory liquid assets under Sections 18 and 24 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) with Section 42 of the Reserve Bank of India
53	UBD.No.BR.86/A.9/92-93	09-10-1992	Section 42 of the Reserve Bank of India Act, 1934 Maintenance of Cash Reserve Ratio (CRR)
54	UBD.No.RBL.125/i/91-92	03-06-1992	Scheduled Primary Co-operative Banks – Clarifications on Returns under Section 42 of the Reserve Bank of India Act, 1934
55	UBD.No.BR.773/A.9-91/92	05-05-1992	Section 42 of the Reserve Bank of India Act, 1934 – Maintenance of Cash Reserve Ratio (CRR)
56	UBD.BR.349/A.9-91-92	08-11-1991	Section 42 of the Reserve Bank of India Act, 1934 – Maintenance of Cash Reserve Ratio (CRR)
57	UBD.No.BR.762/A-9/90-91	29-05-1991	Section 42 of the Reserve Bank of India Act, 1934 – Maintenance of Cash Reserve Ratio (CRR)
58	UBD.BR.581/A.9-90/91	04-03-1991	The Reserve bank of India Scheduled Bank's Regulations, 1951 – Classification of Deposits Accepted under the Home Loan Accounts Scheme of the National Housing Bank in Form 'B'
59	UBD.BR.400/A.9-90-91	24-12-1990	Maintenance of Minimum Average Balance under Section 42(1) of the Reserve Bank of India Act, 1934
60	UBD.No.BR.194/A.9-90-91	28-08-1990	Maintenance of Minimum Average Balance under Section 42(1) of the Reserve Bank of India Act, 1934
61	UBD.BR.19/A.6-89/90	10-03-1990	Netting Concept for Reserve Requirements – Dealings with Discount and Finance House of India Ltd. (DFHI)
62	UBD.BR.50/A.12(24)-89/90	18-01-1990	Section 24 of the Banking Regulation Act, 1949 – Eligible Securities for the purpose of Statutory Liquidity Ratio – Kisan Vikas Patras and Fixed Deposits with Sardr Sarovar Narmada Nigam Ltd.
63	UBD.No.RBL.835/1.88/89	27-03-1989	Grant of Scheduled Status to Urban Co-operative Banks – Computation of Cash Reserve and Liquid Assets as well as Submission of various statutory Returns
64	UBD.RBL.315/1-88-89	10-10-1988	Submission of Fortnightly Returns by Scheduled Primary Co-operative Banks under Section 42(2) of the Reserve Bank of India Act, 1934
65	UBD.No.BR.229/A-9-88/89	09-09-1988	Inclusion of the Select Primary Urban Co-operative Banks in the Second Schedule to the Reserve Bank of India Act, 1934
66	UBD.BR.163/A-9/99-89	19-08-1988	Inclusion of the Name of Your Bank in the Second Schedule to the Reserve Bank of India Act, 1934

67	UBD.No.BR.35/A 12 (24)-86/87	18-10-1986	Banking Regulation Act, 1949 (as applicable to co-operative societies) – Section 18 and 24 – Computation of Demand and Time Liabilities (DTL)
68	UBD.No.BR.1455/A12(24)-85/86	31-05-1986	Banking Regulation Act, 1949 (as applicable to co-operative societies) – Section 24 – Investment in Units issued by the Unit Trust of India
69	UBD.BR.871/A.12(24)-84/85	10-05-1985	Banking Regulation Act, 1949 (as applicable to co-operative societies) – Section 24 – Investment made under national deposit scheme
70	UBD.BR.764A/A-6-84/85	29-03-1985	Banking Laws (amendment) Act, 1983-84 – Bringing into force of remaining provisions
71	UBD.BR.498/A.12(24)-84-85	08-01-1985	Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) – Section 24 – Investment in Government and Other Trustee Securities by Primary Co-operative Banks
72	UBD.BR.16/A.6-84-85	09-07-1984	Banking Law (Amendment) Act, 1983
73	DBOD.No.UBD.BR.180/A.6-82/83	21-09-1982	Amendment in the banking regulation act, (as applicable to co-operative societies)
74	ACD.ID.(DC)1800/R.36-79/80	10-01-1980	Directive relating to subscription/purchase of 7 year national rural development bonds
75	ACD.BR.277/B.1-74-5	30-09-1974	The banking regulation (co-operative societies) rules, 1966 amendment to rules 5 and 9 and change in the forms I and VII of the returns prescribed thereunder
76	ACD.BRL.612/C/71-2	24-01-1972	Register showing the daily position of cash reserves and liquid assets maintained under Section 18 and 24 of the banking regulation act, 1949 (as applicable to co-operative societies) primary co-operative bank
77	ACD.BR.760/A.1/68-9	23-01-1969	The Banking Laws (Amendment) Act, 1968
78	ACD.BR.750/B.I/67-8	24-11-1967	The Banking Laws (application to co-operative societies) Act, 1965
79	ACD.BR.474/A.12(24)/67-8	27-09-1967	Section 24 of the Banking Regulation Act, 1949 (As applicable to co-operative Societies) – Maintenance of Liquid Assets
80	ACOD.BR.392/B.1-65/66	01-03-1966	The Banking Laws (application to co-operative societies) Act, 1965
81	ACD.BR.333/A.1-65/66	09-02-1966	The Banking Laws (application to co-operative societies) Act, 1965

B. List of Other Circulars from which instructions relating to Cash reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and other related matters have also been consolidated in the Master Circular

No.	Circular No.	Date	Subject	Para No. of the Circular	Para No. of the Master Circular
1.	UBD.DC (SUC)156A/13.02.00/93-94	31-01-1994	Pre-shipment Credit in Foreign Currency (PCFC)	Memorandum 8	2.1.5
2.	UBD.No.DC(SUC)/153 (13.02.00)/93-94	30-12-1993	Rediscounting of Export Bills Abroad	Memorandum 8	2.1.5
3.	UBD.(SUC)117/DC.V.1(B)/92-93	10-05-1993	Foreign Currency (Non-Resident) Accounts (Banks) Scheme	2 (ix)	2.1.5