

RBI/2006-2007/272

Ref: UBD (PCB) Cir.No.4 /12.03.000/2006-07

March 01, 2007

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

Dear Sir/Madam,

Maintenance of Cash Reserve Ratio (CRR) on Exempted Categories

Please refer to our Circular UBD (PCB) Cir. No. 60/16.26.000/2005-2006 dated June 22, 2006 on the captioned subject. It has been decided to withdraw the above circular with immediate effect. It has however, been decided that every Scheduled Primary (Urban) Co-operative Bank shall continue to be exempted from maintaining average CRR with effect from June 22, 2006 on the following liabilities, subject to the maintenance of statutory minimum CRR of 3 per cent on its total demand and time liabilities:

- (i) Liabilities to the banking system in India as computed under Clause (d) of the Explanation to Section 42 (1) of the RBI Act, 1934; and
- (ii) Transactions in Collateralized Borrowing and Lending Obligation (CBLO) with Clearing Corporation of India (CCIL).

2. A copy of the relative notification UBD (PCB). No./4/12.03.000/2006-2007 dated March 01, 2007 is enclosed.

3. Please acknowledge receipt.

Yours faithfully

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