

**March 02, 2007**

All Scheduled State Co-operative Banks

Dear Sir,

**Maintenance of Cash Reserve Ratio (CRR) on Exempted Categories**

Please refer to our Circular RBI/2005-2006/425 RPCD.RF.BC.94/07.02.01/2005-06 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 State 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 (e) 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 RPCD.RF.BC.55/07.02.01/2006-07 dated March 02, 2007 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully

(K.Bhattacharya)  
General Manager