

RBI/2007-2008/108
RPCD.CO.RF.BC.No.15/07.02.01/2007-08

August 1, 2007

To
All Scheduled State Co-operative Banks

Dear Sir,

Section 42(1) of Reserve Bank of India Act, 1934-Maintenance of Cash Reserve Ratio (CRR)

Please refer to our Circular RBI/2006-2007/339 RPCD.CO.RF.BC.No.75/ 07.02.01/2006-07 dated April 24, 2007 on the captioned subject. On a review of the current liquidity situation, it has been decided to increase cash reserve ratio (CRR) of Scheduled State Co-operative Banks by 50 basis points to 7.00 per cent with effect from the fortnight beginning August 4, 2007.

2. A copy of the relative notification RPCD.CO.RF.BC.No.14/07.02.01/2007-08 dated August 1, 2007 is enclosed.
3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(Molina Chowdhury)
Deputy General Manager

RPCD.CO.RF.BC.No.14/07.02.01/2007-08

August 1, 2007

NOTIFICATION

In exercise of the powers conferred under the sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934 and in partial modification of the notification RPCD.CO.RF.BC.No.74 /07.02.01/2006-07 dated April 24, 2007, the Reserve Bank of India hereby notifies that every Scheduled State Co-operative bank should maintain a Cash Reserve Ratio of 7.00 per cent of its total demand and time liabilities, subject to the exemptions as envisaged in the notification RPCD.CO.RF.BC.No.76/ 07.02.01/2006-2007 dated April 24, 2007, from the fortnight beginning August 04, 2007.

(V.S.Das)
Executive Director