

**RBI/2008-2009/110**

Ref: UBD (PCB).No./ 1/12.03.000/2008-09

July 31, 2008

The Chief Executive Officers of  
All Scheduled Primary (Urban) 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 2007-2008/386 UBD (PCB) Cir. No.6/ 12.03.000/ 2007-08 dated June 26, 2008 on the captioned subject. As set out in the Governor's statement on the First Quarter Review of Annual Monetary Policy for the year 2008-09 issued on July 29, 2008, on a review of the current liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) for Scheduled Primary (Urban) Co-operative Banks by 25 basis points to 9.00 per cent of its Net Demand and Time Liabilities with effect from the fortnight beginning August 30, 2008.

2. A copy of the relative notification UBD (PCB) No/1/12.03.000/2008-09 dated July 31, 2008 is enclosed.
3. Please acknowledge receipt.

Yours faithfully,

**(A.K.Khound)**  
Chief General Manager in-Charge

July 31, 2008

**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 its notification UBD(PCB)No.13/12.03.000/2007-08 dated June 26, 2008, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Scheduled Primary (Urban) Co-operative Bank shall be 9.00 per cent of its net demand and time liabilities from the fortnight beginning from August 30, 2008.

**(V.S.Das)**  
Executive Director