

October 16, 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 2008-2009/216 UBD (PCB) Cir. No.5/ 12.03.000/ 2008-09 dated October 10, 2008 on the captioned subject advising reduction in Cash Reserve Ratio (CRR) by 150 basis points from 9.00 per cent to 7.50 per cent of net demand and time liabilities with effect from October 11, 2008.

2. On a review of the evolving liquidity situation and as set out in the RBI Press Release 2008-2009/500 dated October 15, 2008, it has been decided to further reduce the Cash Reserve Ratio (CRR) for Scheduled Primary (Urban) Co-operative Banks by 100 basis points from 7.50 per cent to 6.50 per cent of their NDTL with effect from the current reporting fortnight that began on October 11, 2008.

3. A copy of the relative notification UBD (PCB) No/6/12.03.000/2008-09 dated October 16, 2008 is enclosed.

4. Please acknowledge receipt.

Yours faithfully,

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

UBD(PCB)No/ 6/12.03.000/2008-09

October 16, 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 supersession of its notification UBD(PCB)No./3/12.03.000/2008-09 dated October 10, 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 reduced by 250 basis points to 6.50 per cent of its net demand and time liabilities from the fortnight beginning from October 11, 2008.

(V. S. Das)
Executive Director