

RBI/2008-2009/259
RPCD.CO.RF.BC.No. 57/07.02.01/2008-09

November 3, 2008

All Scheduled State Co-operative Banks

Dear Sir,

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

Please refer to our Circular RPCD.CO.RF.BC.No.48/07.02.01/2008-09 dated October 15, 2008 on the captioned subject.

2. On a review of the current and evolving macroeconomic situation and liquidity conditions in the global and domestic financial markets, and as set out in the RBI Press Release 2008-2009/603 dated November 01, 2008, it has been decided to reduce the Cash Reserve Ratio (CRR) for Scheduled State Co-operative Banks by 100 basis points from 6.50 per cent to 5.50 per cent of their net demand and time liabilities (NDTL) in two stages, effective from fortnights as indicated below:

Effective date (i.e., the fortnight beginning from)	CRR on net demand and time liabilities (per cent)
October 25, 2008	6.00
November 8, 2008	5.50

3. A copy of the relative notification RPCD.CO.RF.BC.No.56/07.02.01/2008-09 dated November 3, 2008 is enclosed.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(B.P.Vijayendra)
Chief General Manager

NOTIFICATION

In exercise of the powers conferred under sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934 and in partial modification of the earlier notification RPCD.CO.RF.BC.No.47/07.02.01/2008-09 dated October 15, 2008, the Reserve Bank of India hereby notifies that the average Cash Reserve Ratio (CRR) required to be maintained by every Scheduled State Co-operative Bank of its net demand and time liabilities shall, from effective dates mentioned below, be at the percentage points as indicated thereagainst

Effective date (i.e. the fortnight beginning from)	CRR on net demand and time liabilities (per cent)
October 25, 2008	6.00
November 8, 2008	5.50

(V.S.Das)
Executive Director