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All Scheduled State Co-operative Banks – CRR reduced, All Scheduled State Co-operative Banks, RBI/2008-2009/212

Reserve Bank of India

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October 10, 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.39/07.02.01/2008-09 dated October 7, 2008 on the captioned subject, advising reduction in Cash Reserve Ration (CRR) by 50 basis points from 9.00 per cent to 8.50 per cent of net demand and time liabilities with effect from October 11, 2008.

2. On a review of the evolving liquidity situation in the context of global and domestic developments, and as set out in the RBI Press Release 2008-2009/467 of date, it has been decided to reduce the CRR for Scheduled State Co-operative Banks by 150 basis points from 9.00 per cent to 7.50 per cent of their net demand and time liabilities (NDTL) instead of 50 basis points (from 9.00 per cent to 8.50 per cent) reduction with effect from the fortnight beginning October 11, 2008.

3. A copy of the relative notification RPCD.CO.RF.BC.NO.42/07.02.01/2008-09 dated October 10, 2008 is enclosed.

4. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

(G. Srinivasan)
Chief General Manager-in-Charge

October 10, 2008

NOTIFICATION

In exercise of the powers conferred under sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934 and in supersession of the earlier notification RPCD.CO.RF.BC.No.38/07.02.01/2008-09 dated October 7, 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 shall be reduced by 150 basis points to 7.50 per cent of its net demand and time liabilities from the fortnight beginning from October 11, 2008.

(Anand Sinha)
Executive Director