

June 26, 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.No.BC.63/07.02.01/2007-08 dated April 29, 2008 on the captioned subject. On a review of current global and domestic macroeconomic and financial developments, it has been decided to increase Cash Reserve Ratio (CRR) of Scheduled State Co-operative Banks by 50 basis points to 8.75 per cent of its net demand and time liabilities in two stages, effective from fortnights as indicated below:

Effective date (i.e., the fortnight beginning from)	CRR on net demand and timeliabilities (per cent)
July 5, 2008	8.50
July 19, 2008	8.75

2. A copy of the relative notification RPCD.CO.RF.BC.NO.82/ 07.02.01/2007-08 dated June 26, 2008 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

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

June 26, 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 partial modification of its notification RPCD.CO.RF.No.BC.62/07.02.01/2007-08 dated April 29, 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)
July 5, 2008	8.50
July 19, 2008	8.75

(V.S.Das)
Executive Director