

**RBI/2008-2009/206**

Ref: UBD (PCB).No./4/12.03.000/2008-09

October 07, 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 2008-2009/110 UBD (PCB) Cir. No.1/ 12.03.000/ 2008-09 dated July 31, 2008 on the captioned subject. On a review of the current liquidity situation in the context of global and domestic developments, and as set out in the RBI Press Release 2008-2009/447 dated October 06, 2008, it has been decided to reduce the Cash Reserve Ratio (CRR) for Scheduled Primary (Urban) Co-operative Banks by 50 basis points from 9.00 per cent to 8.50 per cent of their net demand and time liabilities (NDTL) with effect from the fortnight beginning October 11, 2008. This measure is ad hoc, temporary in nature and will be reviewed on a continuous basis in the light of the evolving liquidity conditions.

2. A copy of the relative notification UBD (PCB) No/2/12.03.000/2008-09 dated October 07, 2008 is enclosed.

3. Please acknowledge receipt.

Yours faithfully,

(Smt.Uma Shankar)  
Chief General Manager

UBD(PCB)No/ 2/12.03.000/2008-09

October 07, 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./1/12.03.000/2008-09 dated July 31, 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 50 basis points to 8.50 per cent of its net demand and time liabilities from the fortnight beginning from October 11, 2008.

(V.S.Das)  
Executive Director