

**RBI/2007-2008/110**

Ref: UBD (PCB).No./9/12.03.000/2007-08

August 1, 2007

To

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/2006-07/348 UBD (PCB) Cir. No/7./12.03.000/2006-07 dated April 25, 2007 on the captioned subject. On a review of the current liquidity situation, it has been decided to increase cash reserve ratio (CRR) of Scheduled Primary (Urban) Co-operative Banks by 50 basis points to 7.00 per cent with effect from the fortnight beginning August 4, 2007.

2. A copy of the relevant notification UBD (PCB) No./9/12.03.000/2007-08 dated July 31, 2007 is enclosed.

3. Please acknowledge receipt.

Yours faithfully,

(N.S Viswanathan)  
Chief General Manager in-Charge

August 1, 2007

**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 notification UBD.PCB.7/12.03.000/2006-07 dated April 24, 2007, the Reserve Bank of India, hereby, notifies that every Scheduled Primary (Urban) Co-operative bank should maintain a Cash Reserve Ratio (CRR) of 7.00 per cent of its total demand and time liabilities subject to the exemptions as envisaged in the notification UBD.PCB.6/12.03.000/2006-07 dated April 24, 2007, from the fortnight beginning August 04, 2007.

(V.S.Das)  
Executive Director