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 UBD (PCB).No.3/12.03.000/2009-10 dated April 21, 2010
on the captioned subject.

2. The Reserve Bank in its Third Quarter Review of Monetary Policy 2011-12 issued on
January 24, 2012, decided to reduce the Cash Reserve Ratio (CRR) of Scheduled
Primary (Urban) Co-operative Banks by 50 basis points from 6.00 per cent to 5.50 per
cent of their net demand and time liabilities (NDTL), with effect from the fortnight

3. A copy of the relative notification UBD.(PCB).No./6/12.03.000/2011-12 dated
January 25, 2012 is enclosed.

4. Please acknowledge receipt.

Yours faithfully,

(A.Udgata)
Chief General Manager-in-Charge

Encl: 1
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 the earlier notification UBD.(PCB).No./2/12.03.000/2009-10 dated April 21, 2010, 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 5.50 per cent of its net demand and time liabilities, from the fortnight beginning January 28, 2012.

(S. Karuppasamy)
Executive Director