

April 24, 2007

NOTIFICATION

Consequent upon the notification of Section 3 of the Reserve Bank of India (Amendment) Act, 2006 coming into force with effect from April 01, 2007, the amendment carried out to sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934 (2 of 1934) has been brought into force. Accordingly, the statutory minimum Cash Reserve Ratio (CRR) requirement of 3 per cent of the total demand and time liabilities in respect of Scheduled State Co-operative Banks no longer exists with effect from April 01, 2007. Therefore, it has been decided to modify the operation of the notification RPCD.RF.BC.55/07.02.01/ 2006-07 dated March 02, 2007 accordingly with effect from April 01, 2007. In exercise of the powers conferred by sub-section (7) of Section 42 of the Reserve Bank of India Act, 1934, the Reserve Bank of India hereby exempts every Scheduled State Co-operative Bank from the maintenance of Cash Reserve Ratio (CRR) on the following liabilities with effect from April 01, 2007:

- (i) Liabilities to the banking system in India as computed under Clause (e) of the explanation to sub-section (1) of Section 42 of the RBI Act, 1934; and
- (ii) Transactions in Collateralized Borrowing and Lending Obligation (CBLO) with Clearing Corporation of India Ltd. (CCIL).

(V.S.Das)
Executive Director