

RBI/2006-2007/275

RPCD. CO.RRB.BC. No. 52 /03.05.28(B)/2006-07

March 02, 2007

All Regional Rural Banks

Dear Sir,

Maintenance of Cash Reserve Ratio (CRR) on Exempted Categories- RRBs

Please refer to our Circular RPCD.RF.BC.94/07.02.01/2005-06 dated June 22, 2006 on the captioned subject. It has been decided to withdraw the above circular with immediate effect. It has, however, been decided that every Regional Rural Bank shall continue to be exempted from maintaining average CRR with effect from June 22, 2006 on the following liabilities, subject to the maintenance of statutory minimum CRR of 3 per cent on its total demand and time liabilities:

(i) Liabilities to the banking system in India as computed under Clause (d) of the Explanation to Section 42(1) of the RBI Act, 1934; and

(ii) Transactions in Collateralized Borrowing and Lending Obligation (CBLO) with Clearing Corporation of India Ltd. (CCIL).

2. A copy of the relative notification RPCD.CO.RRB.No.8165/03.05.28(B)/2006-07 dated March 02, 2007 is enclosed.

3. Please acknowledge receipt to our Regional Office concerned.

Yours faithfully

(N.K.Bhatia)

Deputy General Manager