

RBI/2007-08/109  
RPCD.CO.RRB.BC.17/ 03.05.28(B)/2007-08

August 1, 2007

All Regional Rural Banks

Dear Sir,

**Section 42 (1) of Reserve Bank of India Act, 1934 – Maintenance  
of Cash Reserve Ratio (CRR)- Regional Rural Banks (RRBs)**

Please refer to our circular RPCD.CO.BC.72/03.05.28(B) /2006-2007 (RBI/2006-07/341) dated April 24, 2007 on the captioned subject. On a review of the current liquidity situation, it has been decided to increase Cash Reserve Ratio (CRR) of all Regional Rural Banks by 50 basis points to 7.00 per cent with effect from the fortnight beginning August 4, 2007.

A copy the relative notification RPCD RRB.CO No. 16 / 03.05.28(B)/2007-08 dated August 1, 2007 is enclosed.

Please acknowledge receipt to our Regional Office concerned.

Yours faithfully,

**(Surekha Marandi)**  
**General Manager**

August 01, 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 RPCD.CO.RRB.No 9944 /03.05.28(B) /2006-2007 dated April 24, 2007, the Reserve Bank of India hereby notifies that every Regional Rural 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 RPCD.CO.RRB.No.72/03.05.28(B)/2007-08 dated April 24, 2007 from the fortnight beginning August 04, 2007.

**(V.S.Das)**  
**Executive Director**